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ANNALS. ANECDOTES, AND LEGENDS

OF

LIFE ASSURANCE.

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ANNALS,

ANECDOTES AND LEGENDS:

A Chronicle

OF

LIFE ASSURANCE

BY

JOHN FRANCIS,

AUTHOR OF

"THE HISTORY OF THE BANK OF ENGLAND," ETC.

"Tragedy never quits the world—it surrounds us everywhere. We have but to look, wakeful and vigilant, abroad; and, from the age of Pelops to that of Borgia, the same crimes, though under different garbs, will stalk in our paths."—SIR E. BULWER LYTTON.

"Murder?"
"Murder most foul, as in the best it is;
But this most foul, strange, and unnatural."—SHAKSPEARE.

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LONDON:
LONGMAN, BROWN, GREEN, AND LONGMANS.
1853.

00141792

Dedicated, by Permission,

TO

THE MOST NOBLE

THE MARQUESS OF LANSDOWNE.

THIS NARRATIVE,

RECORDING THE PROGRESS OF LIFE ASSURANCE,

AND

RELATING THE SERVICES OF SIR WILLIAM PETTY,

THE FATHER OF POLITICAL ECONOMY,

IN THE CAUSE OF VITAL STATISTICS,

IS, BY PERMISSION,

RESPECTFULLY DEDICATED TO HIS DESCENDANT,

THE MOST NOBLE

HENRY PETTY, THIRD MARQUESS OF LANSDOWNE,

BY HIS LORDSHIP'S

MOST OBEDIENT AND VERY DEVOTED SERVANT,

JOHN FRANCIS.

Shooter's Hill, May 23. 1853.

PREFACE

THE subject of Life Assurance is so important, that any endeavour to trace its history, however imperfect, may not be unacceptable. Men toil, work, slave, nay, almost sin for their families; they do everything but insure: and should this volume induce any one to avail himself of the benefits of Life Assurance who has not hitherto done so, or should it attract the attention of others who are ignorant of the system, the writer will not deem his labour entirely in vain.

The many legends and traditions of the subject, form a page from the romance of Mammon, which, remarkable as some of the stories may appear, and fearful as many of them are, form but a small portion of the sad and stern realities attached to the annals of Life Assurance.

The simple fact, that the payment of a small yearly

sum will at once secure the family of the insured from want, even should he die the day after the first premium is paid, is sufficiently singular to the uninitiated; but it is more so, that very few avail themselves of an opportunity within the reach of all.

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ANNALS, ANECDOTES, AND LEGENDS

OF

LIFE ASSURANCE.

CHAPTER I.

ORIGIN OF THE DOCTRINE OF PROBABILITIES. — ESSAY OF JOHN DE WITT. — THE PLAGUE. — FIRST BILLS OF MORTALITY. — CAPTAIN JOHN GRAUNT—HIS OPINIONS, LIFE, AND ESTIMATES.— CURIOUS TERMS IN THE OLD REGISTERS—THEIR EXPLANATIONS. —LIFE OF SIR WILLIAM PETTY—HIS CAREER AND CHARACTER.

In the early annals of this country, there was no foundation whatever on which to form a theory of the value of life. The wars of succession, intestine strife, and civil discord, killed their thousands. Disease, arising from exposure to the air, from foul dwelling-places, and from an absence of the comforts of advanced civilisation, slew its tens of thousands. They who were spared by the sword and escaped the pestilence, perished too often by the fire of persecution. Death came in forms which were governed by

no known laws; and, notwithstanding the insecurity of life, there was no possibility of making a provision for survivors. To this we owe that kind consideration for the widows and orphans of their members, which is observable in many of the city corporate bodies.

Commerce was yet in its infancy, and all the capital which could be collected, was necessary to its development. It was, indeed, on this that the wisdom of the executive was concentrated. Every half century brought rumours of some new land which was to enrich the adventurers who combined to explore it. The most gallant spirits of England sailed, and not always in the stoutest vessels, to explore a new passage, or to trade on the shores of some new country, alike indifferent where they went or how long they remained, provided they could bring home some attractive article of merchandise. Every energy was, therefore, devoted to the extension of our mercantile interests; and although Lombards, goldsmiths, Jews, and usurers, frequently granted annuities, there appears to have been no united attempt to grant assurances on lives.

This universal spirit of commerce produced, however, marine assurance very early, while the gradual progressive movements made in science and philo-

sophy, prepared the way for assurance on life. The rude notions of an uncultivated age were succeeded by broader and more statesmanlike views; the Roman Church, with its narrow notions and its denunciations of progress, ceased to exist; men feared no longer to give a free exposition of their principles; and the Provincial Letters of Pascal prove that a new era had arrived. The doctrine of probabilities,—originated at a gaming-table,—so curious, so interesting, and at the same time so necessary to the present subject, was first popularised by this great genius; but we are indebted to Holland for its earliest application to annuities; as when the States-General resolved to negotiate some life payments, the pensionary, John de Witt, added one more obligation to the many received from this distinguished man, by employing the theory which Pascal suggested, for the requirements of his government. His report and treatise on the terms of life annuities is the first document of the kind, and a most important paper it is. Step by step it explains the grounds on which the proposition of its author was based, and by which he arrived at the conclusion that the value of a life annuity, in proportion to one for a term of twenty-five years, was really "not below, but certainly above, sixteen years' purchase." It is probable that from

political motives this paper was suppressed; but John de Witt was certainly the first who thought of applying mathematical calculations to political questions, and the first who attempted to fix the rate of annuities according to the probabilities of life. The essay of the pensionary was, however, but little known to the public, and had no sensible influence on the subsequent progress of the science.

Leibnitz, whose hobby was to investigate the theory of chances*, first drew attention to this production; but though often alluded to, its very title was not correctly given, and we are indebted to the researches of Mr. Hendriks for its rescue from an unmerited oblivion, and for the able translation of an essay which, had it been published at the time it was written, would have exercised an important influence on its subject.† Up to the end of the 17th century, therefore, as there were no laws to calculate the chances of mortality, life annuities were granted according to the caprice of the usurer, or the ignorance of the annuitant; and there is no occasion to

* When asked what benefit it would produce, he replied, "C'est pour perfectionner l'art des arts, l'art de penser!" This, at first regarded as a *mot*, became a proverb.

† The title of this essay is "Waardye van Lyf-Renten naer proportie van Losrenten;" or, the "Value of Life Annuities in Proportion to Redeemable Annuities."

remind the reader that the barbaric splendour of the Tudors witnessed customs which, rendering the conditions of life terribly uncertain, had a depressive effect on the science of assurance. The smallpox, a frequent and fearful visitor, was only met by an attempt to stare it out of countenance; for to effect a cure the patient was clothed in scarlet, the bed was covered with scarlet, and the walls were hung with scarlet; so simple and so ignorant were the leeches of the early ages. Dysentery, then known by its Saxon synonyms of the "flux," "scouring," and "griping," daily carried off the unwashed artificers of old London. Nor were dirty habits confined to the mere populace; the banquetting-halls of the palace were rarely or ever cleansed; the accumulations of months were left on the floors, which, to hide the dirt and preserve an appearance of decency, were periodically covered with rushes.* In such places

* There was no just cause for surprise in these periodical visitations. The thinkers of the day understood the connection between cleanliness and health; and the following will show that such as these hit on the right source of pestilence:—

"I often wonder," says Erasmus in a letter to Dr. Francis, "and not without concern, whence it comes to pass, that England for so many years hath been continually afflicted with pestilence, and above all, with the sweating sickness, which seems in a manner peculiar to that country. * * * They glaze a great part of the sides with small panes, designed to admit the

disease was ever ready to spring into vigorous life. Every few years, fevers which had been lurking in alleys and ravaging obscure places, devastated the city under various names. At last, that awful sickness which, even at the present day, chills the blood but to think of it, seemed to be naturalised in this country, under the name of the plague; but to it we owe that the initiative step was taken in England, in founding the first principles which govern life assurance, for to it we owe our earliest Bills of Mortality.

Within a period of seventy years, London had been visited by it five separate times; 145,000 having died from its collective attacks. As the visitation had been governed by no known system, as it came without any apparent cause and disappeared quite as capriciously, the Londoners never felt safe from its

light and exclude the wind; but these windows are full of chinks, through which enters a percolated air, which stagnating in the room, is more noxious than the wind.

"As to the floors, they are usually made of clay, covered with rushes that grew in fens, which are so slightly removed now and then, that the lower part remains sometimes for twenty years together, and in it a collection of spittle, vomit, urine of dogs and men, beer, scraps of fish, and other filthiness not to be named. Hence, upon change of weather, a vapour is exhaled very pernicious, in my opinion, to the human body."

re-appearance. It seemed always hovering over them; and as the intervals between its departure and return were sometimes only eleven years, and had never exceeded twenty-nine, its harassing impressions were constantly on the minds of the citizens. Its visits did not allow time even to soften or subdue the painful remembrances connected with it; and were it necessary, a reference to the letters, diaries, and chronicles of the day, would show that the name of the plague turned men pale, and predisposed their constitutions for its reception; that the very thought made the merchant regardless of 'Change and of counting-house; and that the tradesman shuddered at the memory of a disease which slew his children, depopulated London, and destroyed his business.

The reports of the approach of the plague were, then, a positive and practical evil; and in 1592, when 30,561 died of the disease, the rumours of its horrors, appalling as these were in reality, were enormously exaggerated. An attempt to quiet public feeling by correctly indicating its progress was, therefore, made in the Bills of Mortality; and though they were not at first maintained consecutively, they were afterwards found so useful as to be continued from 29th December, 1603, to the present time.* The mode of

* The first parish registers were kept in England in 1538,

their production was simple. When any one died it was indicated either by tolling or ringing a bell, or by bespeaking a grave of the sexton. The sexton informed the searchers, who hereupon "repair to the place where the dead corpse is, and by view of the same and by other inquiries they examine by what disease or casualty the corpse died. Hereupon they make their report to the parish-clerk; and he, every Tuesday night, carries in an account of all the burials and christenings happening that week, to the parish-clerks' hall. On Wednesday, the general account is made up and printed; and on Thursday, published and disposed of to the several families who will pay 4*s.* per annum for them." In 1629, two editions of the weekly bills were printed, one with the casualties and diseases, and the other without. For a long time these papers were made but little use of by the public. A writer of the day says they were examined at the foot, to see whether the burials increased or decreased; they were glanced at for the

in consequence of an injunction from Thomas Cromwell. They had been kept for a long time previous in Augsburg and Breslau, though it was not till the beginning of the 17th century that they were general in Europe. It is worth mentioning, that long ere this, the paternal government of Peru kept a register of all the births and deaths throughout the country; exact returns of the population being made every year by officers appointed by the state.

casualties, as a matter of gossiping interest; and in the plague time, the progress of the pest was closely watched by the courtiers and the nobles, that they might escape its ravages; and by the citizens, with that morbid feeling which is as much attached to extraordinary calamities as to great crimes. But though this might be the case ordinarily, such was not the view with which a citizen of London, by name John Graunt, thought they should be regarded. This man was the author of the first English work on the subject, entitled "Natural and Political Observations on the Bills of Mortality." Little is known of his antecedents, save that he was the son of one Henry Graunt of Lancaster, that he was born in "Birching Lane," and that he had the ordinary education granted to the sons of tradesmen. He came early into business, passed through the chief offices of his ward with reputation, and became captain and major of the train-bands, when such an office involved danger as well as honour.

All that has hitherto been said of Graunt might be said of many. But Graunt's genius was far from being confined within these limits. It shone through all the disadvantages of mean birth and doubtful breeding. It broke down the barriers of rank and the limits of position, and gave him the first thought

of a design, which was the earliest movement in economical arithmetic, and the closest approximation to the data on which life assurance is founded.

The exact time is not known when he began to collect and to consider the Bills of Mortality; but he says his thoughts had been turned that way for several years, before he had any design of recording certain notions he had formed. Until he published his volume, a more than Egyptian darkness was on the eyes of the people, and he had to combat some very singular notions. Among others, that London was to be reckoned by millions, that the proportion of women to men was three to one, and that in twenty-six years the population had increased two millions. "Men of great experience in this city talk seldom under millions of people to be in London." To grapple with these and similar errors was Graunt's object; and it is easy to comprehend, that his readers rebelled against assertions which lowered the pretensions of their favourite city. It is probable that he made some enemies by his book; as when the fire of London occurred, he was accused of having gone to the reservoir of the New River Company, and of cutting off the supply of water. As, however, he had changed, or was on the point of changing his creed from puritanism to papistry, and the papists had the.

credit of originating the fire; the accusation was possibly a party one, and is of little importance now. It is with his work on the population we have to deal, and this, which contained "a new and accurate thesis of policy, built on a more certain reasoning than had yet been adopted," was first published in 1664; meeting with such an extraordinary reception that another edition was called for in the following year, the book being spoken of wherever books then made their way. It formed a taste for these studies among thinking men; and the fact is greatly to the author's credit, that he made a bold, if fruitless, attempt to deduce the law of life from bills of mortality which did not record the ages as well as the deaths of the people. In addition to the London bills, he gave one for a country parish in Hampshire; and in the later editions he added one for Tiverton, and another for Cranbrook. Charles II. recommended the Royal Society to elect him one of their members, charging the Fellows "that if they found any more such tradesmen, they should admit them all;" and immediately after the appearance of the work, Louis XIV. ordered the most exact register of births and deaths to be kept in France, that was then known in Europe. A few extracts from this rare and curious work will at once indicate its character, and show

the simplicity of the existing information; but in their perusal the reader will do well to consider, that Graunt was the first who wrote on the subject; that he had but slight foundations for his calculations; and that with all these difficulties, he was very successful in his conclusions. He says: —

"There seems to be good reason why the magistrate should himself take notice of the number of burials and christenings: viz., to see whether the city increase or decrease in people, whether it increase proportionably with the rest of the nation, whether it be grown big enough. But," he adds, "why the same should be known to the people, otherwise than to please them as with a curiosity, I see not.

"Nor could I ever yet learn from the many I have asked, and those not of the least sagacity, to what purpose the distinction between males and females is inserted, or at all taken notice of; or why that of marriages was not equally given in. Nor is it obvious to every body why the account of casualties is made. The reason which seems most obvious for this latter is, that the state of health in the city may at all times appear." In another page he writes that "7 out of every 100 live in England to the age of 70." "It follows from hence

that, if in any other country more than 7 of the 100 live beyond 70, such country is to be esteemed more healthy than this of our city." It must be remembered, however, that this was very conjectural. "We shall," he says, when leading to this conclusion, "come to the more absolute standard and correction of both, which is the proportion of the aged; viz. 15,757 to the total 229,250, that is, of about 1 to 15, or 7 per cent.; only the question is, what number of years the searchers call aged, which I conceive must be the same that David calls so, viz. 70. For no man can be said to die properly of age, who is much less."

Out of the above 229,250 he estimates that 86 were murdered; and, alluding to a peculiar disease which had arisen, intimates that the proportion of males was greater than that of females, in the words, "for since the world believes that marriage cures it, it may seem indeed a shame that any maid should die unmarried, when there are more males than females; that is, an overplus of husbands to all that can be wives." "In regular times when accounts were well kept, we find not above 3 in 200 died in childbed; from whence we may probably collect that not 1 woman of 100, I may say of 200, dies in her labour. forasmuch as there may be other causes

of a woman's dying within the month." He then attempted to show the population of London, from which he had been a long time prevented by his religious scruples; but his arithmetical mind was provoked by a "person of high reputation" saying there were "two millions less one year than another." To ascertain the number he made many very interesting calculations, and came to this conclusion:— "We have, though perhaps too much at random, determined the number of the inhabitants of London to be about 384,000." He then gave the following table, which is perhaps one of the most remarkable we have, the period and the material being taken into consideration:—

Of 100, there die within the first six years	36
The next ten years, or decad	24
The second decad	15
The third „	9
The fourth „	6
The fifth „	4
The sixth „	3
The seventh „	2
The eighth „	1

From whence it follows that, of the said 100 there remain alive—

At the end of 6 years	64
„ 16 „	40
„ 26 „	25

At the end of	36	years	-	-	16
„	46	„	-	-	10.
„	56	„	-	-	6
„	60	„	-	-	3
„	76	„	-	-	1
„	80	„	-	-	0

He says gravely of another of his calculations, "According to this proportion Adam and Eve, doubling themselves every 64 years of the 5610 years, which is the age of the world according to the Scriptures, shall produce far more people than are now in it. Wherefore, the world is not above 100,000 years old, as some vainly imagine, nor above what the Scripture makes it."

That Captain Graunt was a man of no ordinary perceptive power let his volume bear witness. In it he touches on almost every intricate question which, despised when he wrote, has since been investigated by Adam Smith, by M'Culloch, by Porter, by Tooke, and by all to whom political economy is dear. The following will give some idea of the character of these studies: —

"It were good to know how much hay an acre of every sort of meadow will bear; how many cattle the same weight of each sort of hay will feed and fatten; what quantity of grain and other commodities the same acre will bear in 3 or 7 years; unto

what use each sort is most proper; all which particulars I call the intrinsic value, for there is another value merely accidental or extrinsic, consisting of the causes why a parcel of land lying near a good market may be worth double another parcel, though but of the same intrinsic goodness; which answers the question why lands in the north of England are worth but 16 years purchase and those of the west above 28." "Moreover, if all these things were clearly and truly known, it would appear how small a part of the people work upon necessary labours and callings; how many women and children do just nothing, only learning to spend what others get; how many are mere voluptuaries, and as it were, mere gamesters by trade; how many live by puzzling poor people with unintelligible notions in divinity and philosophy; how many, by persuading credulous, delicate, and religious persons that their bodies or estates are out of tune and in danger; how many, by fighting as soldiers; how many, by ministries of vice and sin; how many, by trades of mere pleasure or ornament; and how many, in a way of lazy attendance on others; and, on the other side, how few are employed in raising necessary food and covering; and of the speculative men how few do study nature, the more ingenious not advancing

much further than to write and speak wittily about these matters."

From this enumeration of his objects it may be be seen that life assurance was not contemplated by the author when his important book was written; but as the earliest attempt to number the people, to classify their callings, and to ascertain the mortality among them, he assuredly laid the foundations of this science. His book gave new ideas. It first propounded the fact, that "the more sickly the years are, the less fruitful of children they be;" and though this was wonderfully ridiculed, time has proved that it was not less strange than true. It formed a taste for similar inquiries among thinking men. It was published at a period when, the city being less populous, there was additional facility in arriving at certain facts. From that time the subject was cultivated more and more. Increased attention was paid to the parish registers. The different diseases and casualties were gradually inserted; but it was not till 1728 that the ages of the dead were introduced. Graunt had forced people to think; and whatever merit may be ascribed to Sir William Petty, Daniel King, Dr. Davenant, and others, it may all be traced to the first observations of Graunt on the Bills of Mortality. To him we owe the care

with which parish registers have since been kept, and the valuable material they have afforded to the science of political economy.

There is something in the old registers which places us in an almost antediluvian world, and seems to treat of diseases belonging to another sphere. In 1657, among the deaths are recorded 1162 "chrisomes and infants;" and few reading in 1853 would know that infants, until christened, wore a "chrisom" or cloth anointed with holy unguent, from which they were denominated chrisomes. "Blasted and planet" would puzzle the medical student of to-day; but the latter was simply an abbreviation of "planet struck," both words indicating some wasting disease which the faculty failed to fathom. "Head-mould-shot" and "horseshoe-head" were meant for water on the brain, and were very expressive of the shape of the head in those who suffered from it. Another complaint was "calenture," a disease said to be similar to the *maladie du pays*, for it seized seamen with an irresistible desire to immerse themselves, the sea assuming in their eyes the appearance of green fields. "Tissick" expressed phthisis or consumption. In 1634, the "rickets" is recorded; and the "rising of the lights" has been a great puzzle to our medical historians. A little later than this period is men-

tioned, "one died from want in Newgate," "one murdered in the pillory," and "one killed in the pillory." In the course of twenty years fifty-one are put down as starved. "But few are murdered, not above eighty-six of the deaths in twenty years; whereas, in Paris, few nights escape without their tragedy." It must be remembered, in explanation, that medicine had not assumed the dignity of a science before the time of Harvey in the middle of the seventeenth century, but was exercised by "a great multitude of ignorant persons." Common artificers, smiths, weavers, and women took upon them cures, "to the high displeasure of God, and destruction of many of the King's liege people." Nor was the patient much better off when the clergy, priests, and poor scholars left the cure of the mind for the cure of the body. Such, however, was the position of leech-craft when Graunt inoculated the people with the love of vital statistics.

Contemporary with Graunt, and contributor to his attempts, was one of those strange, restless, speculative men whose love of money teaches them how to procure it, and whose desire to preserve it, by purchasing land, and leaving their heirs in possession, makes them the founders of noble English houses. This was Sir William Petty, who, in his "Essay on

Political Arithmetick concerning the Growth of the City of London, with the Measures, Periods, Causes, and Consequences thereof," made a further onward movement. The earlier portion of his life was passed in battling with the world. He was as much a votary of mathematics as of money, and was eminently successful in both. Although only the son of a Romney clothier, he was the founder of a house which has exercised an important influence on English political life — the House of Lansdowne. He began his career with nothing, and he closed it possessed of 15,000*l.* per annum. He lived at a time when social economy was but little regarded; and he published a volume which, however uncertain both in its data and its conclusions, was an attempt to apply arithmetic to the economics of life. It is both unphilosophical and unjust to say, "Petty was nothing of a politician or statesman, or even of a political economist. He was merely a political arithmetician; that is to say, he occupied himself with a consideration of the circumstances of society and of the forces and activity that pervaded it, only in so far as they could be stated and estimated numerically. His social science was little more than an affair of ciphering, a business of addition and subtraction." It is from the figures of such men that

our politicians form deductions, estimate consequences, frame laws, and create trade. It may be true that he was no seer, and that he was wrong in his prophetic capacity; but this is only another proof that statisticians rarely possess a large development of the imaginative faculty. That his work is worth perusal to all who are interested in his subject, although based on information which was rude and imperfect, we hope to show. In it he calculates that—

Between	1604 and 1605,	there died in London	5,135
„	1621 and 1622,	„	8,527
„	1641 and 1642,	„	11,883
„	1661 and 1662,	„	15,148
„	1681 and 1682,	„	22,331.

In about forty years he estimated that London had doubled itself (the number being, when he wrote, 670,000), and that the assessment of London was about one-eleventh of the whole territory: "Therefore, the people of the whole may be about 7,369,000; with which account that of the poll-money, hearth-money, and the bishops' late numbering of the communicants, do pretty well agree." This founder of the House of Lansdowne was a good deal puzzled by the growth of the metropolis. He thus accounts for it:—"The causes of its growth from 1642 to 1682 may be said to have been as follows: From

1642 to 1650, men came out of the country to London to shelter themselves from the outrages of the civil wars during that time. From 1650 to 1660, the royal party came to London for their more private and inexpensive living. From 1660 to 1670, the King's friends and party came to receive his favours after his happy restoration. From 1670 to 1680, the frequency of plots and parliaments might bring extraordinary numbers to the city. But what reasons to assign for the like increase from 1604 to 1642, I know not, unless I should pick out some remarkable accident happening in each part of the said period, and make that to be the cause of this increase (as vulgar people make the cause of every man's sickness to be what he did last eat); wherefore, rather than so say, I would rather quit what I have above said to be the cause of London's increase from 1642 to 1682, and put the whole upon some natural and spontaneous benefits and advantages that men find by living in great more than in small societies: I shall, therefore, seek for the antecedent causes of this growth in the consequences of the like, considered in greater characters and proportions."

That the people are the life-blood of the kingdom, was Sir William's fixed belief; and he said, that if the whole highlands of Scotland and the whole king-

dom of Ireland were sunk in the ocean, so that the people were all saved and brought to the lowlands of Great Britain, the Sovereign and the subject in general would be enriched. The reader will smile when he hears that a great deal of useful information was embodied in Sir William Petty's attempts to prove the following extraordinary points: —

1st. That London doubles in 40 years, and all England in 360 years.

2nd. That there be in 1682 about 670,000 souls in London, and 7,400,000 in England and Wales; and about 20,000,000 of acres in land.

3rd. That the growth of London must stop of itself before the year 1800.

4th. That the world would be fully peopled within the next 2000 years.

Burnet says, that Petty wrote the book published in Graunt's name; but the bishop was too much of a gossip to be trusted, and the works which Sir William claimed are sufficient for his fame. In the midst of a life devoted to the world, he turned his attention to abstruse and recondite subjects. That money makes the man, was his fundamental article of faith. "Instead of saying with Bacon," remarks a biographer, "that knowledge was power, he would have said that knowledge was *l. s. d.* * * * He was all for the

practical, and in general for the pecuniary, as the most comprehensive form of the practical."

He was, probably, not a brave man; for he left England at the most stirring period of its history, and, when at a later period he was challenged by one of Cromwell's knights to fight a duel, he claimed the privilege of choosing time, place, and weapons, to throw an air of ridicule over the proceeding. The place he named was a dark cellar, and the weapon he chose was a carpenter's axe. Near-sightedness was his excuse for both.

He wrote "An Essay concerning the Growth of the City of London," "Observations on the Dublin Bills of Mortality," "Two Essays concerning the People of London and Paris," "Two Essays on Political Arithmetick;" and the name of Sir William Petty has come down to us more as the author of these works, than as the successful speculator, as the founder of the Marquisate of Lansdowne, or as one who began life penniless, and left a princely inheritance. To those who wish to trace the career of the man who drew so great a portion of public attention to the foundations of life assurance, the epitome of his life as given in his will may prove interesting.

Having thus endeavoured to trace the early dawn of the theory, it is now time to chronicle the progress of life assurance as a social and mercantile requirement.

CHAP. II.

PRACTICE OF ASSURANCE BY THE ROMANS. — SAXON APPROXIMATION TO FRIENDLY SOCIETIES. — MARINE ASSURANCE. — DANGER OF NAVIGATION, AND ITS EFFECT ON LIFE ASSURANCE. — ASSURANCE FOR PALMERS AND PILGRIMS TO THE HOLY LAND. — BULMER'S OFFICE OF ASSURANCE. — ASSURANCE OF NAVIGATORS, MERCHANTS, AND CORPORATIONS. — ASSURERS. — UNCERTAINTY OF LIFE. — ANNUITIES. — AUDLEY THE USURER — HIS HISTORY — ANECDOTES CONCERNING HIM. — THE USURER'S WIDOW.

It has been the endeavour of most writers to trace the practice, if not the principle, of assurance as far back as possible; but in doing this, trifles have been exaggerated into matters of importance. Some authors contend, on the authority of Livy, that it was in use during the Second Punic War: others, arguing from a passage in Suetonius, refer to the Emperor Claudius, as the first insurer; because, in order to encourage the importation of corn, he took all the loss or damage it might sustain upon himself.

These cases are, however, entirely exceptional, and certainly indicate no settled plan, as the very fact that the Emperor guaranteed the contractor against damage, is a proof that there was no other

mode of doing so. Cicero is also quoted, because, in one of his epistles, he expresses a hope of finding at Laodicea, security by which he could remit the money of the republic without being exposed to danger in its passage.

If, however, the assertion that marine assurance was known to the ancients is not demonstrable, there is no doubt that life assurance was unknown and unpractised, although the Romans had some wise regulations in connection with the economy of the people. From Servius Tullius downwards, they took a census every fifth year, and the right of citizenship was involved in any one failing to comply with the requirements of his age, name, residence, the age of his wife, the number of his children, slaves, and cattle, together with the value of his property. They do not seem to have kept any exact mortuary register, as the chief object of their census was to levy men and money for the purpose of conquest. One of the commentators on the Justinian Code also gave a calculation of the worth of annuities, which, if it may be accepted as an expectation of life, gives far more correct views of its comparative value at various ages, than was known in Europe until the time of De Witt.

Turning from these vague theories of an antique

age to our own country, we find that associations founded on social principles, in which union for good or for ill, and in which provision was made for contingencies, were the prominent features, are to be found in our Saxon annals. The axiom, that "Union is Strength," the necessity of providing for casualties by mutual assistance, in other words, assurance on its broadest and most rational basis, was practised in the Saxon guild, the origin of which was very simple: Every freeman of fourteen being bound to find sureties to keep the peace, certain neighbours, composed of ten families, became bound for one another, either to produce any one of the number who should offend against the Norman law, or to make pecuniary satisfaction for the offence. To do this, they raised a fund by mutual payments, which they placed in one common stock. This was pure mutual assurance. From this arose other fraternities. The uncertain state of society, the fines which were arbitrarily levied, the liability to loss of life and property in a country divided against itself, rendered association a necessity. And if it was necessary before the Conquest, it became doubly so after it. The mailed hand of the Norman knight was ever ready to grasp the goods of the Saxon serf; and the Norman noble trod the ground he had aided to subdue, with the pride

of a conqueror, at the same time that he exercised the rapacity of an Eastern vizier. To meet the pecuniary exigencies which were perpetually arising from fines and forfeitures, and to aid one another in burials, legal exactions, penal mulcts, payments, and compensation,— ancient friendly societies, somewhat similar to those of the present day, were established; and the rules of one which existed at Cambridge prove its approximation to the modern mutual friendly association. The following extracts will satisfy the reader of the truth of this assertion :—

"1. It is ordained, that all the members shall swear by the holy reliques that they will be faithful to each of their fellow-members, as well as in religious as in worldly matters; and that, in all disputes, they will always take part with him that has justice on his side.

"2. When any member shall die, he shall be carried by the whole Society to whatever place of interment he shall have chosen; and whoever shall not come to assist in bearing him shall forfeit a sextarium of honey: the Society making up the rest of the expense, and furnishing each his quota towards the funeral entertainment; and also, secondly, for charitable purposes, out of which as much as is meet and convenient is to be bestowed upon the church of St. Etheldred.

"3. When any member shall stand in need of assistance from his fellow-members, notice thereof shall be given to the Reeve or Warden who dwells nearest that member, unless that member be his immediate neighbour; and the Warden, if he neglect giving him relief, shall forfeit one pound.* In like manner, if the President of the Society shall neglect coming to his assistance, he shall forfeit one pound, unless he be detained by the business of his lord or by sickness.

"4. If any one shall take away the life of a member, his reparatory fine shall not exceed eight pounds; but if he obstinately refuse to make reparation, then shall he be prosecuted by and at the expense of the whole Society: and if any individual undertake the prosecution, then each of the rest shall bear an equal share of the expenses. If, however, a member who is poor kill any one, and compensation must be made, then, if the deceased was worth 1200 shillings, each member shall contribute half a mark†; but if the deceased was a hind, each member shall contribute two oræ‡; if a Welchman, only one.

"5. If any member shall take away the life of

* About as much silver as is now coined into 3*l.* 1*s.* 11*d.*

† Equal in weight to about 2*l.* 1*s.* 3*d.* of our silver coinage.

‡ Equal in weight to 10*s.* 4*d.* of our present silver coinage.

another member, he shall make reparation to the relations of the deceased, and besides make atonement for his fellow-member by a fine of eight pounds, or lose his right of fellowship to the society. And if any member, except only in the presence of the king, or bishop, or an alderman, shall eat or drink with him who has taken away the life of a fellow-member, he shall forfeit one pound, unless he can prove, by the evidence of two witnesses on oath, that he did not know the person.

" 6. If any member shall treat another member in an abusive manner, or call him names, he shall forfeit a quart of honey; and if he be abusive to any other person, who is not a member, he shall likewise forfeit a quart of honey.

" 7. If any member, being at a distance from home, shall die or fall sick, his fellow-members shall send to fetch him, either alive or dead, to whatever place he may have wished, or be liable to the stated penalty; but if a member shall die at home, every member who shall not go to fetch his corpse, and every member who shall absent himself from his obsequies, shall forfeit a sextarium of honey."

These rules might have been certified by a Pratt, so simple and so excellent is their arrangement. But they must not be regarded as exceptional. The fol-

lowing form a portion of the regulations of another similar society at Exeter: —

"1. At each meeting every member shall contribute two sextaria of barley meal, and every knight one, together with his quota of honey.

"2. When any member is about to go abroad, each of his fellow-members shall contribute five pence; and if any member's house is burnt, one penny.

"3. If any one should by chance neglect the stated time of meeting, his regular contribution to be doubled."

Well may Mr. Ansell say, "The guilds or social corporations of the Anglo-Saxons seem, on the whole, to have been friendly associations, made for mutual aid and contribution, to meet the pecuniary exigencies which were perpetually arising." Nor can the reader fail to be struck with the resemblance these rules bear to those of many of the modern societies; and, as they were framed 800 years ago, the similitude is somewhat remarkable. After the Conquest guilds were established for the express promotion of religion, charity, or trade, and from these fraternities the various companies and city corporations have arisen. The following, forming a portion of the rules of St. Catherine's Guild, seem like those of some modern fraternity: —

"If a member suffer from fire, water, robbery, or other calamity, the guild is to lend him a sum of money without interest.

"If sick or infirm, through old age, he is to be supported by his guild according to his condition.

"If a member falls into bad courses, he is first to be admonished, and if found to be incorrigible he is to be expelled.

"Those who die poor, and cannot afford themselves burial, are to be buried at the charge of the guild."

Societies like these, established at a period when

> "The good old rule, the simple plan,
> That they should take who have the power,
> And they should keep who can,"

was almost the law of the land, cannot fail to surprise those who believe that the past was an age of barbarism, and the present the culminating point of civilisation. It is certainly a curious truth, that that combination which has been esteemed a peculiar feature of modern times, had its antetype in societies framed when commerce and law were yet in their infancy.

Of the rise of assurance generally in Europe the information is limited enough. Malynes and Anderson say it was known about the year 1200, and refer

to the marine laws of the isle of Oleron; but a perusal of these has satisfied later writers that the theory was too hastily adopted, and that the earliest ordinance on the subject with which we are acquainted is that of the magistrates of Barcelona, in 1523, to which city must be attributed the honour, until some authentic evidence to the contrary has been produced; and we must not omit to notice, also, that a writer on the "Us et Coutumes de la Mer" says assurance was long detested by the Christians, "being classed by them with the unpardonable sin of taking interest."

The first English statute relating to marine assurance was passed in 1601. The earliest mention of it occurs in 1548, in a letter written by the Protector Somerset to his brother the Lord Admiral, and that it was commonly known in 1558 may be gathered from a speech of the Lord Keeper Bacon. In the act alluded to above, "An Act concerning Matters of Assurances among Merchants," it is stated, that "it hath been time out of mind an usage among merchants, both of this realm and of foreign nations, when they make any great adventure, specially into remote parts, to give some consideration of money to other persons, to have from them assurance made of their goods, merchandises, ships, and things adven-

tured, or some parts thereof, at such rates and in such sort as the parties assurers and the parties assured can agree; which course of dealing is commonly called a policy of assurance, by means of which policies of assurance it cometh to pass, upon the loss or perishing of any ship, there followeth not the loss or undoing of any man, but the loss lighteth rather easily upon many than heavily upon few, and rather upon them that adventure not than on those that do adventure."

If mercantile or marine assurance were so common, it is difficult to imagine that some approximation to life assurance, however imperfect or normal it might be, was entirely unpractised. It must necessarily have occurred to the captain of a trading vessel, that the storm or the whirlwind, which might send his merchandise to the bottom of the sea, might also send himself with it; and the thought that, if his goods were worth insuring for the benefit of the owners, his own life was worth insuring for the benefit of his family, arose naturally from the risks he ran. And in those days there was not merely a risk of storm or whirlwind. Man was more cruel than the tempest; and the galleys of the Turks were then as much feared, by the masters of trading vessels, as the corsairs of the Algerine were dreaded at a later

period. They roved the seas as if they were its masters; they took the vessels, disposed of the cargo in the nearest market, and sold the navigators like cattle. The only way of mitigating this terrible calamity was by some mode of insurance, to procure their rescue if taken; and we find that to attain so desirable a result they paid a certain premium to their merchant freighters, who, in return, bound themselves to pay a sufficient sum to secure the navigators' freedom within fifteen days after the certificate of their captivity, the ordinary days of grace being lessened on such policies.

In those days, also, when crusades were common, and men undertook pilgrimages from impulse as much as from religion, it was desirable that the palmer should perform his vow with safety, if not with comfort. The chief danger of his journey was captivity. The ballads of the fifteenth century are full of stories which tell of pilgrims taken prisoners, and of emirs' daughters releasing them; but as the release by Saracen ladies was more in romance than in reality, and could not be calculated on with precision, a personal insurance was entered into, by which, in consideration of a certain payment, the assurer agreed to ransom the traveller, and thus the palmer performed his pilgrimage as secure from a

long captivity as money could make him. It is true, that this care for his personal safety may detract somewhat from a high religious feeling; but truth is sadly at variance with sentiment, and the pilgrims of the crusading period were but too glad to lessen the chances against them.

Another mode of assurance was commonly practised, by which any traveller departing on a long or dangerous voyage deposited a specific amount in the hands of a money broker, on condition that if he returned he should receive double or treble the amount he had paid; but, in the event of his not returning, the money broker was to keep the deposit, which was in truth a premium under another name.

In 1643 Captain John Bulmer published, "Propositions in the Office of Assurance, London, for the blowing up of a boat and a man over London Bridge." Nor was this an unusual mode of conducting an enterprise which was at once ingenious and costly, and which required an union of capital to support it. In the address above alluded to, Bulmer, an unsuccessful engineer, pledged himself to perform his promise within a month after intimating from the office that he was ready; "viz. so soon as the undertakers wagering against him, six for one, should have deposited enough to pay the expenses of boat and

engine," he also subscribing his own proportion. The money was not to be paid until the Captain had performed his contract, when he was to receive it all. If, however, he should fail, it was to be repaid to the subscribers. "And all those that will bring their money into the office shall there be assured of their loss or gain, according to the conditions above named."

These facts are an evidence that the principle of assurance was making way, and that men endeavoured to provide against the chances or mischances of life, to the best of their ability. Thus, any seafaring person proceeding on a voyage, could insure his life for the benefit of his heirs; and if the information which has come down to us limits the practice to this particular class, it was because seamen were the chief visitors to foreign countries, and for them some such plan was essentially a necessity.

But there was a further and more remarkable fact in operation; as an annuitant enjoying a life-rent or pension could make an insurance on his life, by way of provision for his family. These, however, were only exceptional cases, for which the premiums were probably distressingly heavy; if we may judge from the fact, that a century later the life of a healthy man,

of any age, was estimated at only seven years' purchase. The great merchants of that day were chiefly responsible for such assurances, and many of the corporations engaged in these and similar adventures. The following will show that by 1569 the provident societies of the present day were anticipated. The writer is illustrating his opinion on usury.

"A merchant lendeth to a corporation or company 100*l.*, which corporation hath by statute a grant, 'that whosoever lendeth such a sum of money, and hath a child of one year, shall have for his child, if the same child do live till he be full 15 years of age, 500*l.* of money; but if the child die before that time, the father to lose his principal for ever.' Whether is this merchant an usurer or not? The law says, if I lend purposely for gain, notwithstanding the peril or hazard, I am an usurer."

Again: "A corporation taketh 100*l.* of a man, to give him 8*l.* in the 100*l.* during his life without restitution of the principal. It is no usury, for that here is no lending, but a sale for ever of so much rent for so much money. Likewise, if a private man have 1000*l.* lying by him, and demandeth for his life and his wife's life 100*l.* by the year, and never to demand the principal, it is a bargain of sale and no usury."

But though these things are evidences of something

closely akin to the principles of life assurance, it is certain that no system existed by which so happy a result could be habitually attained. The state of society was opposed to it. Life was then scarce "worth a pin's fee." The noble was at the mercy of his own fierce passions, and, if not engaged in some intestine warfare, was crossing and recrossing seas, was making or unmaking kings. The knight sought dangerous adventures with an avidity which would place his life on the trebly hazardous list of assurance-offices, and pale the roses on the cheeks of directors. The citizen, again, was constantly embroiled in quarrels with which he had no business, and merchants would have looked doubtfully on any proposal to accept a life which was likely enough to end the day after its assurance.

In addition to these chances, there was the liability to "plague, pestilence, and famine." The black pest, the sweating sickness, the small-pox, are names to conjure up frightful images. Nothing is now certainly known of the numbers which these diseases swept away in our early history, but the rapidity with which whole families disappeared tended to exaggerate the feeling of insecurity. It seems, therefore, almost impossible to suppose that any plan of life assurance could have existed during these ages,

when there were no documents to give the number of deaths, and no laws to determine the value of life. But if assurances were rare, we have constant evidence that annuities were familiar enough. The State employed them for its wants; scriveners employed them for the necessities of their clients; Pole and Whittington, Canning and Gresham, invested their mercantile gains in them; the usurer made his money breed by granting them in many forms and on various securities; and although to arrive at a just system of annuities was as difficult as a just system of assurance, yet the usurer took as much care in the one case to secure his own interest, as he would in the other had it been an operation into which he chose to enter.

The sixteenth century gave birth to one of these men, who, before life assurance was understood, exercised great genius in granting and receiving annuities. The name of Audley is one of the earliest we possess in this line: he was originally a lawyer's clerk, with a salary of 6*s.* a week; but his talent for saving was so well supported oy his self-privation, that he lived upon half, keeping the other half as the superstructure of his future fortune. He was so great an adept in the tricks of law, that he was soon enabled to purchase his apprenticeship; and, with the

first 600*l.* he had saved, bought of a nobleman an annuity of 96*l.* for nineteen years. The nobleman died; his heir neglected to pay the annuity, and Audley made him suffer for his neglect to the tune of 5000*l.* in fines and forfeitures.

The usurer soon found money trading better than law writing. He became a procurer of bail; he compounded debts; he enticed easy landowners into granting well-secured annuities; he encouraged their extravagance, and, under pretence of ministering to their wants, became possessed of many a fine estate. The following story will illustrate his craft: — In the early part of his career, a draper of mean repute was arrested by his merchant for 200*l.* Audley bought the debt of the latter for 40*l.*, and was immediately offered an advance on his bargain by the fraudulent tradesman. Audley refused the terms; and when the draper pressed, as if struck by a sudden whim, he consented to discharge the debt, if his creditor would sign a formal contract to pay within twenty years from that time one penny, to be progressively doubled on the first day of twenty consecutive months, under a penalty of 500*l.* The terms seemed easy, and the draper consented. The knave was one of those who "grow rich by breaking." But here Audley had him in his net. Year

after year he watched his prey; he saw him increase in wealth, and then made his first demand for one penny. As month succeeded month he continued his claim, progressively doubling the amount, until the draper took the alarm, used his pen, found that to carry out his agreement would cost him more than 4000*l.*, and, to avoid it, paid the penalty of 500*l.*; his only revenge being to abuse Audley as a usurer, probably anticipating the wish of Jaffier, that he could "kill with cursing."

Audley, like many of our own day, was equally ready to lend money to the gay gallants of the town on annuities, as he was to receive it from the thrifty poor who took, on "the security of the great Audley," the savings of their youth to secure an annuity for their age. But needy as the youngsters of that day might be, the usurer was as willing as they were needy. He lent them, however, with grave remonstrances on their extravagance, and took the cash they paid him, with an air of paternal regret.

His money bred. He formed temporary partnerships with the stewards of country gentlemen, and, having by the aid of the former gulled the latter, finished by cheating the associates who had assisted him to his prey. The annuity-monger was also a philosopher. He never pressed for his debts when

he knew they were safe. When one of his victims asked where his conscience was, he replied, "We monied people must balance accounts. If you don't pay me my annuity, you cheat me; if you do, I cheat you." He said his deeds were his children, which nourished best by sleeping.

His word was his bond; his hour was punctual; his opinions were compressed and sound. In his time he was called the great Audley; and though the Fathers of the Church proclaimed the sin of usury to be the original sin, Audley smiled at their assertions and went on his way rejoicing. As his wealth increased he purchased an office in the Court of Wards; and the entire fortunes of the wards of Chancery being under his control and that of the other officers of the court, it may be supposed that Audley's annuity-jobbing increased. When he quarrelled with one who disputed the payment of an annuity, and who, to prove his resisting power, showed and shook his money-bags, Audley sarcastically asked "whether they had any bottom?" The exulting possessor answered in the affirmative. "In that case," replied Audley, "I care not; for in my office I have a constant spring." Here he pounced on incumbrances which lay on estates; he prowled about to discover the cravings of their owners,

which he did to such purpose that, when asked what was the value of his office, he replied, "Some thousands of pounds to any one who wishes to get to heaven immediately; twice as much to him who does not mind being in purgatory; and nobody knows what to him who will adventure to go to hell." Charity forbids us to guess to which of these places Audley went. He did not long survive the extinction of the Court of Wards, and died "receiving the curses of the living for his rapine, while the stranger who had grasped the million he had raked together owed him no gratitude at his death."

It must have been the widow of some such shrewd assurer who dared the dangers of Chancery in 1682, and endeavoured to file a bill, the purport of which was to compel 500 individuals to declare the amounts they owed her husband, who is designated as "a kind of insurer." The boldness of this woman in attacking 500 persons attracted attention; and the alarm which must have possessed her creditors was no doubt heightened by the fact that 60 skins of vellum and 3000 sheets of paper composed the bill, and that each would be compelled to have a copy, provided the plaintiff were successful. Not only, however, did Lord Chancellor North, "amazed at

the effrontery of the woman," dismiss the bill on the ground of the enormous expense which each defendant would incur, but he directed the plaintiff's counsel to refund his charges and to "take his labour for his pains."

CHAP. III.

JUDAH MANASSEH LOPEZ, THE JEW USURER—HIS TRICK ON THE DUKE OF BUCKINGHAM — SUSPICIONS CONCERNING HIM. — THE INCREASE OF LONDON. — POPULATION OF LONDON. — PROCLAMATIONS. — HALLEY'S MOVEMENT IN LIFE ASSURANCE — HIS TABLES.

AMONG the frequenters of St. Paul's, when the noble, the merchant, and the citizen congregated in its walk, was an old man known to all who met there in their daily avocations as Judah Manasseh Lopez. A Lombard, a Jew, and a usurer, it was difficult to say whether the outward respect he received from his customers was not counterbalanced by the curses he received from the public. The bullying mien of the self-dubbed captain sunk into a more subdued tone as he asked for loans or deprecated payment. The spendthrift who was dicing away his paternal inheritance, and who had security to offer for the money he wanted, was more indifferent, while the goldsmith shrunk from his approach with a contemptuous expression he did not always care to conceal. This man employed his wealth in

the purchase and sale of annuities. He lent to merchants when their vessels failed to bring them returns in time to meet their engagements. He advanced cash on the jewels of those whom a disturbed period involved in conspiracies which required the sinews of war. But annuities were his favourite investment; and to him, therefore, resorted all that were in difficulties and were able to deal with him. With the highest and the lowest he trafficked. He was feared by most, and respected by none. One remarkable feature in his business was, that no one found it easy to recover the property he had pledged, provided it much exceeded the amount advanced. In an extremity, Buckingham, the favourite of Charles, applied to and received assistance from the Jew on the deposit of some deeds of value. When the time approached which had been stipulated for repayment, Lopez appeared before the Duke in an agony of grief, declaring his strong-room had been broken into, his property pilfered, and the Duke's deeds carried away. But Buckingham had dealt too much with men of this class to believe the story on the mere word of such a Jew. He, therefore, kept the usurer while he ordered some retainers to proceed to the city and to search out the truth, placing the Hebrew at the same time

under watch and ward, with an utter indifference to his comfort. When the messengers returned, they avouched that all Lombard Street was in an uproar at the violation of its stronghold. Still the Duke was dissatisfied, and refused to part with his prey until he had received full value for his deposit. In vain the Hebrew fell on his knees, in vain did he call on Father Abraham to attest his innocence, for in the midst of one of his most solemn asseverations Buckingham was informed that a scrivener was urgent in soliciting an audience, and he saw at the same time that a cloud came over the face of Lopez. The request of the scrivener being granted, to the Duke's astonishment he produced the missing document, explaining to his Grace that Lopez, believing the scrivener too much in his power to betray him, had placed it in his charge until the storm should blow over, but that, fearing the Duke's power and trusting to his protection, he had brought it to York House. On the instant Buckingham confronted the two. The Jew's countenance betrayed his crime, and, fawning on the very hem of the Duke's garment, he begged forgiveness, and crouched like a dog to procure it. From that time it is probable that the Duke had his loans on more equitable terms and

on smaller security, as he dismissed the Jew with a consideration the latter did not deserve.

But darker and more dangerous things were hinted of this man. He was well versed in medical lore. He was reputed to possess subtle drugs; and it was often noticed that the healthiest of those to whom he was bound to pay life annuities were sometimes cut off in a remarkable way, and that, too, after they had been closeted with him. Whether Lopez granted insurances on lives is unknown, but he lived himself to a bad old age, hated as much as he was feared, and sought after as much as he was despised.

Such men made large profits. They knew nothing and they cared nothing for the chances of life. Their charges covered all risks. And so little was known of the number of the people, that a few desultory facts concerning this and a previous period, being gathered from various sources, may not be unacceptable or uninstructive. Up to this time, and long after, the population of London and of England was a riddle. The utmost exaggeration prevailed in all the accounts which we possess concerning it. Fitzstephen writes of London being peopled with a multitude of inhabitants; and adds, that, in the fatal wars under King Stephen, 80,000 men were mustered. Allowing for the martial fury of the time,

this would give a population of 400,000 in the twelfth century dwelling in London. Everything points to the fact that the metropolis augmented more than the authorities thought good.

The progressive increase of London was a continual source of alarm. In 1581 a proclamation was issued, forbidding any new buildings. Elizabeth caused a statute to be passed to the same effect, because "such multitudes could hardly be governed, by ordinary justice, to serve God and obey her Majesty;" and because "such great multitudes of people in small rooms, being heaped up together, and in a sort smothered, with many families of children and servants, in one tenement, it must needs follow, if any plague or any universal sickness come among them, it would presently spread through the whole city." These proclamations were continued. James said, so many people "cumbering the city were a general nuisance;" adding, that the single women who came from the country marred their reputations, and that the married lost them. Still the people flocked, in spite of proclamations, and in opposition to statutes. Old country establishments crowded by the score to "upstart London," "pinching many a belly to paint a few backs, and burying all the treasures of the kingdom in a few citizens' coffers." At

last some effect was produced, not however by the proclamation, but by fining one Mr. Palmer a thousand pounds. Still, if we may judge by what Howel writes, the city of London continued to increase "For the number of human souls breathing in city and suburbs, London may compare with any in Europe in point of populousness." This he estimates, taking "within that compass where the point of the Lord Mayor's sword reacheth," at a million and a half of souls. Foreigners could scarcely understand the huge concourse which thronged London, and which for a long time baffled our earlier political economists, who wondered how it was that the annual deaths outbalanced the annual births. Our satirists were very hard on the new comers. Ben Jonson describes them as "country gulls," who come up every term to learn to take tobacco and see new notions. They paid heavily for their lesson in London life; and many an annuity was wrung out of the fat land of the country gentleman from his visit to the metropolis. Sir Richard Fanshawe, in an elegant and elaborate poem, — an evidence that the subject occupied public attention, — asks,

"Who would pursue
The smoky glory of the town,

That may go till his native earth,
And by the shining fire sit down
On his own hearth,

"Free from the griping scrivener's hands
And the more biting mercer's books,
Free from the bait of oiled hands
And painted looks?"

It is clear, from these and other facts, and from the circumstance that it would be very difficult to separate the casual visitors from the fixed inhabitants of London, that up to the year 1700 there was little information on which to found an argument. All that we possess is vague and desultory. Lord Salisbury, in a letter written to Prince Henry prior to 1612, says, "Be wary of Londoners, for there died here 123 last week." On the 1st of May, 1619, we learn by another source that the number of deaths in London was from 200 to 300 weekly. At the accession of James I., London was said to contain little more than 150,000 inhabitants; and at the restoration of Charles II., 120,000 families were said to be within the walls of London. "Before the Restoration," said Sir William Petty, "the people of Paris were more than those of London and Dublin put together; whereas, in 1687, the people of London were more than those of Paris and Rome." Evelyn, again, says, in his Diary, in 1684, that he had seen

London almost as large again as it was at that time. Judging from various independent sources, however, the population of England at the time of the Revolution may be fairly estimated as ranging from 5,000,000 to 5,500,000.

That the tables of Graunt and Petty had produced small practical effect, and that little or nothing was known as to the chances of life, may be gathered from a pamphlet printed in 1680, in which the whole doctrine of the value of life as then understood and acted on is affirmed: the utmost value allotted to the best life was 7 years, at which the life of a "healthful man," at any age between 20 and 40, was estimated; while that of an aged or sickly person was from 5 to 6 years, the various limits between these two extremes constituting the whole range of difference in value.

Such was the limited nature of the statistics of life when the Astronomer Royal Halley compiled those calculations which make his name honoured by directors and actuaries. To him we owe the germ of all subsequent developments of this science, in that general formula for calculating the value of annuities which is yet regarded with so much respect.

Up to the period in which he lived—the latter half of the seventeenth century—the town of Breslau, in

Silesia, was the only place which recorded the ages of its dead; and from these Halley drew a table of the probabilities of the duration of human life at every age. This was in 1693, and was the first table of the sort ever published.* In it he taught, with great clearness and exactness, the conditions needful for the formation of rates of mortality; the manner of forming them with complete geometrical precision; of deducing a corresponding table of the present state and annual movement of the population; of reading in them the probability of survivorship of any person taken at random in a given society;

* The following figures will give some idea of the chances of life as estimated by Dr. Halley:—

Out of 1000 born,	661	will be living at	10	years of age.
"	628	"	15	"
"	598	"	20	"
"	567	"	25	"
"	531	"	30	"
"	490	"	35	"
"	445	"	40	"
"	397	"	45	"
"	346	"	50	"
"	292	"	55	"
"	242	"	60	"
"	192	"	65	"
"	142	"	70	"
"	88	"	75	"
"	41	"	80	"
"	19	"	84	"

of, in truth, concluding upon the probable duration of the co-existence of several individuals from the sole knowledge of their age. He also first developed the true method of calculating life annuities, taking for his guide the rate of mortality during five successive years in Breslau.

That the tables of Dr. Halley were very much wanted may be assumed, as in 1692 annuities were granted on single lives at 14 per cent., or only 7 years' purchase; and that the State took very little trouble to apply these tables is as true, for we read that, soon after they were published, annuities were estimated on 1 life at 9 years' purchase, on 2 lives at 11 years', and on 3 lives at 12 years' purchase. Some allowance must, of course, be made for the difficulty of raising money and the difference of interest; still the price paid was out of all proper proportion. But the most singular circumstance connected with government annuities at this period is, that, when life annuities were changed into annuities for 99 years, the owner of a life annuity might secure an annuity for 99 years, by paying only $4\frac{1}{2}$ years' extra purchase. Thus, by the payment of $15\frac{1}{2}$ years' purchase, a certain annuity of 99 years could be procured.

CHAP. IV.

FIRST TRIAL CONCERNING LIFE ASSURANCE. — THE MERCERS' — ITS ESTABLISHMENT AND SYSTEM. — THE SUN — JOHN POVEY, ITS PROJECTOR — HIS CHARACTER. — WAGERS ON THE LIFE OF KING WILLIAM. — NEW ASSURANCES. — THE AMICABLE — THE MODE IN WHICH IT WAS ESTABLISHED. — NEW ANNUITY SOCIETIES — ANECDOTES CONCERNING THEM — CLOSE OF THEIR CAREER.

It may be judged that life assurance was in operation by the latter end of the seventeenth century, as a policy was made on the life of Sir Robert Howard, for one year, from the 3rd of September, 1697. On the same day in the following year Sir Robert died, and the merchant refused to pay, on the ground that the policy had expired. Lord Holt, however, ruled, that "'from the day of the date' excluded the day itself, and that the underwriter was liable." This appears the first assurance on a life of which there is positive legal record.

Reference is usually made to the Amicable Society as the earliest institution for the assurance of lives; but the Mercers' Company, in 1698, commenced a scheme for granting life annuities to the nominees of

the assurers, in place of paying down a fixed sum. This was undertaken at the instigation of Dr. Asheton, and its failure is a proof that the duration of human life was very little known, or that sufficient care had not been taken by the Mercers' Company to enable them to be annuity-mongers with half the success of Audley the usurer, or Lopez the Jew. They formed something like a scale, but it was incomplete. Married men, under 30, were allowed to subscribe but 100*l.*; under 40, they might not subscribe more than 500*l.*; under 60, they were limited to 300*l.* When this was commenced, it was considered a very notable plan. It was thought that it would prove a good business speculation, and, on considerable sums being subscribed, "the Corporation rejoiced greatly." It was soon discovered, however, that the undertaking was founded on a mistake; so the first breach of faith was in lowering the annuity. This proved insufficient, and the company became unable to meet their engagements. They had fixed the payments to their annuitants at the rate of 30 per cent., and now they saw their funds almost annihilated by the error. At last they stopped payment altogether; but the distress was so acute, that, recollecting one or two forced loans they had made to the monarchs of England in the troublous times of old, they peti-

tioned parliament, in 1747, for assistance. Their tale was a pitiable one: "At Michaelmas, 1745, they found themselves indebted to the said charities, and their other creditors, 100,000*l.*; they were liable for present annuities to the extent of 7620*l.*; for annuities in expectancy, 1000*l.* a year more: the whole of their income being 4100*l.*

The desired assistance was granted, and it need not be added that the company is now one of the most flourishing in London.

If the principles on which the Mercers' Corporation founded its operations were erroneous, it must be considered that Government acted as strangely in its public proposals for life annuities. Nothing can illustrate more strongly the crudities of the science at this period, than the fact, that when loans were raised by William III., on life annuities, no greater annual amount was given to the man of seventy, whose chances of life were so small, than to the man of thirty, whose chance was so large. Thus, the State offered 14 per cent. at any age, and it is curious that these proposals were accepted by very few. It is true that interest was much higher than at present, but this does not palliate the fact, that there was no attempt to vary the rate according to the age.

Before approaching the next movement, it will not

be out of place to indicate the establishment of one or two offices which have since added life assurance to that of fire. The Hand-in-Hand was established in 1696, by about one hundred persons. In 1698 they framed a deed of settlement, which was enrolled in Chancery. Ten years later, John Povey, author of the "Unhappiness of England, as to Trade," projected the Sun. Finding his attempt very successful, Povey conveyed his rights to certain purchasers, who, by a deed of settlement, of April, 1710, erected themselves into the society now familiar as the Sun Fire and Life Office.

It is not generally known that this institution printed, at first weekly and then quarterly, a work which has since proved a valuable addition to our historic literature. It was, indeed, a general custom with insurance companies to publish periodical papers in aid of their business, and was only another mode of that advertising which is so liberally practised by those of the present century.

Mr. Povey, the founder of the above company, was a veritable promoter. Not contented with establishing an office to insure against the chances of fire, he invented also a scheme to extinguish it, and "Povey's fire-annihilator" was then a feature of the time. This gentleman, who looked "a grave, honest-

countenanced, elderly gentleman," but is described as "a meddling, restless, and turbulent spirit," projected a life assurance company for "4000 healthy persons, between the ages of 6 and 55," to be called the Proprietors of the Traders' Exchange House. This, like many of his proposals, died a natural death. With those of his class he was often in hot water, and was accused of plagiarising the ideas of others. In addition to the offices of which mention has been made, he formed the Society for Assurance for Widows and Orphans, the progress of which is lost sight of. At any rate, he comes down to us as the founder of one of the most liberal fire-offices in existence, of the capital of which it may be remarked, *en passant*, almost as little is known as of its projector.

The war which was undertaken by William, against France, produced a new form of assurance: not only did wagers on his life become prevalent — a betting which was but another form of insurance; policies were entered into on the result of his campaigns. The conspiracies which were formed against him increased the interest felt; and so uncertain were the chances of his taking Namur, that 30*l.* were offered down, to receive 100*l.*, provided the city and castle were captured before the last day of September

in 1694. At this period, also, a mutual assurance company was formed to aid an adventurer with funds to raise a vessel which, laden with the treasures of the East, had been lost on her passage home; the peculiar feature of the transaction being, that, if any of the association should die before the object was accomplished, their share was to be transferred to the remaining adventurers.

The assurance merchants found their profits endangered in 1706, when the Bishop of Oxford and Sir Thomas Allen applied to Queen Anne for a charter to incorporate them and their successors, "whereby they might provide for their families in an easy and beneficial manner." The application was successful, and the AMICABLE, an improvement on the Mercers' Company, obtained its charter, the number of shares being limited to 2000. But that which appears most extraordinary was, the mode of arranging the payments. The age of the shareholder —from 12 to 45—made no difference in his premium; and whether he were well, or whether he were dying, was no consideration. Each person paid 7*l.* 10*s.* entrance money, and 6*l.* 4*s.* per annum for life; but, as a yearly return of 1*l.* 4*s.* was paid to each shareholder, the real payment was 5*l.* The yearly number of deaths in London was about 1 in 20

at this period, and this fact probably originated the amount of payment, though nothing could surpass the absurdity of a plan which made no distinction between an old life and a young one, — between a healthy and an unhealthy man. It is said that the Amicable had no data; but Dr. Halley had already published his tables, and Vulture Hopkins, or Mr. Snow the banker, or any money-monger, would have taught the directors their error. It is true that success, — at any price, almost, — was their object, and this was insured by the large payment. It may be said, also, that it is wrong to judge of past actions by the aid of present information; but common sense was as general then as now, and any usurer's books would have taught the Amicable its mistake.

The annual income, after deducting expenses, was divided yearly among the representatives of those who had died. Thus a healthy year, with only a slight mortality, made the division good; but in an unhealthy year it was proportionably less. An annual distribution of this kind was manifestly unsound, if not unfair; and must have been sometimes severely felt by the representatives of the deceased. The Amicable, however, may be received as the nursing mother of life assurance at a period when,

little as arithmetical economy was understood, it was still less acted on.

Besides the attempt to engraft an annuity society on the Mercers' Company, various minor endeavours were made, from 1690 to 1712, to establish institutions which should grant yearly payments and pay specific sums to the representatives of the deceased.

The principle of assurance, applied to other subjects than merchandise, seemed a sudden light to those who had capital, and did not know how to employ it; while it was a great boon to those who wanted money, and did not know how to get it. The latter employed their wits in its application to subjects which are not yet allowed to be legitimate; and, while the former, with the praiseworthy caution of men who had "put money in their purses," went slowly but surely to work to found institutions like the Amicable, the Royal Exchange, and the London, the others did not hesitate to form societies, to frame rules, and to decoy all they could meet, under titles as promising as their results were ruinous.

In 1708 began what were then known as "the little goes" of assurance. One was held at the Cross Keys, in Wych Street. We gather that each person subscribed 5*s.* fortnightly, inclusive of policy, stamp, and entrance money, on condition of 200*l.* being

paid to his heirs and executors. Another was an evident bubble, 5*s.* a quarter entitling the subscriber's representatives to receive 120*l.* at his demise; while a third, called the "Fortunate" Office, was to provide marriage portions of 200*l.* for those who paid 2*s.* a quarter. If contemporary accounts are to be trusted, the ravenous appetite for assurance was something like that which at the present day possesses projectors, as offices were opened in every part of the town. If one company was commenced to insure marriage portions, a second was sure to follow to insure the portions of their children. A mutual life assurance was instantly followed by a mutual ship assurance. The following notice from the "British Apollo" will be found to illustrate this speculative fancy:—"A first and second claim is made at the Office of Assurance on Marriage, in Roll Court, Fleet Street. The first will be paid on Saturday next; wherefore, all persons concerned are desired to pay 2*s.* into the joint stock, pursuant to the articles, or they will be excluded. *The two claimants married each other, and have paid but* 2*s. each.*" They were, however, to receive but 37*l.* Here is another specimen: "Any person by paying 2*s.* at their entrance for a policy and stamps, and 2*s.* towards each marriage but their own, when the

number is full, will secure to themselves 200*l.*; and in the mean time, in proportion to the number of subscribers." This undertaking was found to answer so well, that many others opened in the same line—one of them, appropriately enough, in Petticoat Lane. Soon after this, appears an advertisement from a baptismal office of assurance, where every subscriber paid 2*s.* 6*d.* towards each infant baptized, until he had one of his own, when he was to receive 200*l.*, "the interest of which is sufficient to give a child a good education; and the principal reserved until it comes to maturity." Most of the projects were systems of wholesale robbery. For a time, however, they were greedily run after. "The success of these schemes," says a chronicler of the time, "sharpened the invention of the thrifty, and immediately almost every street in London abounded with insurance offices, where policies for infants three months old might be obtained for short periods. From these, they diverged into other ages and various descriptions of persons."

Emblems were placed in windows indicating the allurements of the "Golden Globe." Tempting advertisements were inserted in the journals to show the especial advantages of a new Tontine. Infant or adult, married or single, were addressed in, "The

Lucky Seventy, or the Longest Liver takes all;" while, paraded in promising forms, and painted in bright colours, arose societies to keep the subscribers when they married, and pay for their burials when they died.

There is something very painful in the recollection that the sufferers were those who could least afford it. It was not the grasping Hebrew who invested from his full store. It was not the wealthy East Indian director, the rich alderman, the over-fed citizen, or the "new-fangled banker" who lost a small portion of his gold. It was the poor and thrifty man, who, denying himself to secure his children a provision, was involved in loss.

Policies and premiums were in the mouths of all. It was the El-dorado of the London craftsman, the alchymy of the needy tradesman. The philosopher's stone seemed placed before the class that least dreamed of grasping it: but it was the realisation of the legend in which the dreamer awakes and finds his golden pieces are turned to slate; it was the arousing of Analschar from his gorgeous vision.

The jobbers of Change Alley were not behind; the members of Lloyd's entered keenly into competition, usurers trembled with delight at the prospect of increasing their store, and annuity-mongers threw

themselves with ravenous rapacity on the unwary. Under the name of Africanus, Steele selects a well-known character of the day to satirise the "bites and bubble-mongers" of 1710, in "one who has long been conversant in bartering; who, knowing when Stocks are lowest it is the time to buy, therefore, with much prudence and tranquillity, thinks it the time to purchase an annuity for life." "Sir Thomas told me it was an entertainment more surprising and pleasant than can be imagined, to see an inhabitant of neither world, without hand to lift, or leg to move, scarce tongue to utter his meaning, so keen in biting the whole world and making bubbles at his exit. Sir Thomas added, he would have bought twelve shillings a year of him, but that he feared there was some trick in it, and believed him already dead."

There is some confusion between annuities and assurances; it is an evidence, however, that the public attention was pointed to the tricks which were current. During this period, there is no trace of any life-office; but it would appear that the Bills of Mortality were regarded with interest, from a paper in the "Guardian" being founded on them, and that they were so regarded is most probably to be traced to their connection with assurance. The following is

an extract from a quizzical paper bearing on the the mortuary registers. Died

"Of a six-bar gate - - - -	4
Of a quick-set hedge - - - -	2
Broke his neck in robbing a hen-roost - -	1
Surfeit of curds and cream - - -	2
Took cold sleeping at church - - -	11
Of October - - - - -	1
Of fright in an exercise of the train-bands -	1."

Addison also composed the following bill of mortality in a paper "On Dying for Love;" and it is a further proof of the attention paid to the subject, that this great writer took it as a model:—

"T. S. wounded by Zelinda's scarlet stocking, as she was stepping out of a coach.

"Tim Tattle killed by the tap of a fan on his left shoulder by Coquetilla, as he talked carelessly with her at a bow-window.

"Samuel Felt, haberdasher, wounded in his walks to Islington, by Mrs. Susanna Cross Stitch, as she was clambering over a stile.

"John Pleadwell, Esq., of the Middle Temple, assassinated in his chambers, the 6th instant, by Kitty Sly, who pretended to come to him for advice."

After 1712, these projects ceased to be placed before the town; and the following odd "bite" had its share in dispersing the hungry crew who proposed

them. "There has been the oddest bite put upon the town that ever was heard of. We having of late had several new subscriptions set on foot for raising great sums of money for erecting offices of insurance," &c.; "and at length some gentlemen, to convince the world how easy it was for projectors to impose upon mankind, set up a pretended office in Exchange Alley, for receiving subscriptions for raising 1,000,000 of money to establish an "effectual" company of insurers, as they called it: on which, the day being come to subscribe, the people flocked in and paid down 5*s.* for every 1000*l.* they subscribed, pursuant to the Company's proposals; but after some hundreds had so subscribed, that the thing might be fully known, the gentlemen were at the expense to advertize, that the people might have their money again without any deductions; and to let them know that the persons who had paid in their money contented themselves with a fictitious name set by an unknown hand to the receipts delivered out for the money so paid in, that the said name was composed only of the first letters of six persons' names concerned in the said scheme."

For a period the people had rest from new propositions: as it was found necessary to stop these offices for insurances on marriages, births, christen-

ings, and annuities, and to close the career of gentlemen without a penny; this being done by the insertion of a clause in an Act of the 10th of Queen Anne, enacting a penalty of 500*l.* on the promoters of such societies.

Unfortunate as these bubble assurance companies might be, unformed and unintelligent as their conductors proved, and ruinous as they were to the people who trusted them, they were a movement in the right direction. The principle of life assurance is so eminently social, and so important to those who wish to invest their savings for their successors, that any effort or endeavour to move this science from the hands of usurers and speculative merchants was to be rejoiced at. Hitherto it had been entirely in the hands of the monied man. Many had been honourable in their dealings, but they were ignorant of the trade in which they invested their money, while a bad business year or the destruction of a fleet, — a civil war or the arbitrary demands of a monarch, — might ruin alike assurer and assured.

Others who traded in it were harpies; who took advantage of the wants of the applicants, who measured their terms by the requirements of their customers, who demanded to the last penny, and claimed on the earliest day. Such men did more

harm to the feeling of security in these transactions than can now be possibly imagined; but the above two classes only could supply the requirements of the people in the early annals of annuities and assurance.

CHAP. V.

ROYAL EXCHANGE AND LONDON ASSURANCE — THEIR RISE AND PROGRESS. — BUBBLE ERA. — EPIGRAMS. — OPPOSITION TO THE NEW COMPANIES.—ACCUSATIONS AGAINST THE ATTORNEY-GENERAL.—LIST OF ASSURANCE COMPANIES.—EXTRAORDINARY CHARACTER OF MANY. — REMARKABLE CAREER OF LE BRUN. — DIRECTORS IN TROUBLE.

THE rise of the Royal Exchange and London Corporations forms no uninteresting picture of the time in which they were produced. The bubbles of 1712 had not long passed away, when some of the first merchants of London, willing to secure to themselves the advantages which the Amicable as a life, and the Sun as a fire, office possessed, met in Mercers' Hall, to petition the crown for a charter to effect marine and other assurances. The petition was well timed, as upwards of 150 underwriters had recently failed; many merchants having fallen to the ground with them, there was every reason in the public clamour for a safer and more secure mode of investment. About the same time also another body, of "knights, merchants, and citizens of London," had petitioned with the same object. A junc-

tion of the two was arranged, and, under the title of the Royal Exchange Assurance, they endeavoured to obtain a charter. This was at the commencement of that remarkable period in commercial history known as the South Sea bubble. The above proposition, however, was well grounded; and so many were prevented from subscribing, that, under the title of the London Assurance, a company of equal magnitude was commenced.

Their petitions made slow progress; but the Royal Exchange, without waiting the issue, commenced business, and, in nine months, had insured property to the amount of 2,000,000*l.* sterling. While these companies were in progress, the great bubble era came. With it, excepting as regards assurance, this volume has nothing to do. But the public found this pressed closely on its attention. When men were willing to receive a company with fair promises in the place of fair prospects,—when persons ran about the Alley exclaiming, "Give us something to subscribe to; we care not what it is,"—a practice so sound as assurance was certain to be applied in every form that the hurried ingenuity of speculators could devise. Besides the proposed assurances on the lives of men, cattle were brought

into use, and 2,000,000*l.* were demanded for assuring horses. Of this it was said: —

> "You that keep horses to preserve your ease,
> And pads to please your wives and mistresses,
> Insure their lives, and if they die we'll make
> Full satisfaction, or be bound to break."

Of an office for marine assurance: —

> "In vain are all insurances, for still
> The raging wind must answer heaven or hell;
> To what wise purpose must we then insure?
> Since some must lose whate'er the seas devour."

The life and fire-companies were also epigrammatised with as much point as the epigrammatist could confer. Thus, on the former he wrote: —

> "Come all ye generous husbands with your wives,
> Insure round sums on your precarious lives,
> That, to your comfort, when you're dead and rotten,
> Your widows may be rich when you're forgotten."

With regard to fire-companies: —

> "Projecting sure must be a gainful trade,
> Since all the elements are bubbles made;
> They're right that gull us with the dread of fire,
> For fear makes greater fools than fond desire."

Another company, having at its head "three English peers, two bishops, four Irish peers, with many eminent merchants and gentlemen," petitioned the king that it might be incorporated for purchasing

and improving forfeited and other estates in Great Britain, for granting annuities, and for insuring lives; "seeing this will unite by interest many of the king's subjects against the Pretender and his adherents for ever. In order to which, several of the petitioners have sent persons into Scotland for purchasing the forfeited estates there, and have since, by a voluntary subscription to the Governor and Company of Undertakers for raising the Thames water in York Buildings, raised a joint stock of 1,200,000*l.*, on the credit of which estates they propose to grant annuities for and to insure on lives; for the benefit of such of his Majesty's subjects as are straitened in their fortunes by the reduction of interest."

When this petition was referred to the Crown lawyers the Amicable employed counsel to oppose it, and a vigorous warfare was carried on. Rejecting with scorn the idea of any rival being of use to the world, and pointing to its own venerable standing of fourteen years, the Amicable called the new company a "company of upstarts." The latter retorted that its opponents had grown old and supine, and that the safety of the entire commercial world depended on their success; that, having a large capital, there would be a greater security than in a society like

the Amicable; and they backed their argument with bribes to all who could be supposed to have any interest. Their arguments and their bribes, however, were futile, and they missed their object.

Even the Royal Exchange and London Corporation did not escape the charge of having attempted to forward their interests by fees disproportioned to the services which were sought. The age at which we have arrived was the age of corruption. Whispers passed through every coffee-house in the city that the Right Honourable Nicholas Lechmere was accused of betraying the trust reposed in him, and that some persons concerned in various undertakings had endeavoured to obtain charters by corruption and other undue practices. These reports were attributed at the time to the private assurers, who were by no means pleased at so formidable a rivalry. The proper degree of indignation having been exhibited by the Right Honourable gentleman, the rumour was found to have emanated from Sir William Thompson, who broadly asserted that very unjustifiable methods had been taken by one Bradley and Billinghurst in order to obtain a charter for Lord Onslow's Assurance Company; that large sums of money had been received by his Majesty's Attorney-General, contrary to his duty, to influence him in his

opinion; and that there were public biddings for these charters, as if at an auction, in the chambers of the Attorney-General. Such assertions being somewhat damaging to the character of an official gentleman, the committee appointed to inquire into "petitions for companies for insurance, annuities, &c. &c.," instituted a minute inquiry. As all the witnesses represented some proposed company, they were unanimous in asserting its virtue. Not one of them ever dreamed of offering Mr. Attorney more than his legal fee. Not one of them was not content to rest the success of his case on its singular merits only.

Their examination lets us into a picture of the customs of the time. On a certain occasion as many as 150 met in the Attorney-General's chambers, where the question was debated with great warmth; one party contending, with all the eloquence of self-interest, that a new company for the purpose of assurance would be very beneficial to the nation; the opposite party asserting that no such company was requisite, and that the nation would suffer from it. The advocates representing the underwriters proved that there were private adventurers ready to undertake all the business that could be brought; and, in return, the advocates for the companies pro-

duced a list of failures among the private assurers, and a calculation of the loss the public had sustained through them. The general tenor of the evidence went to clear Mr. Attorney, but it tended to criminate the applicants for charters. One company gave its agent authority to pursue "all proper methods;" and, as the agent had interpreted these words "to bribe all he came near," they could only express their regret. Another company declared its purity with much vehemence; but, on close examination, it was found to arise from its poverty. Moral feeling was utterly extinct. The cry with all was, "Give!" "Give!" said the Attorney-General's clerk. "You must give something; they have given something handsome on the other side," said the Attorney-General himself. One witness deposed: "He, with some others, went to the chambers of the latter, and, having procured access, informed him they were come to wait on him with his fee; but Mr. Attorney said, 'What do they come here for? Why do they not leave it with my clerk?' The reply was, 'It was matter of weight, and they desired to give it him themselves.' Sir William Chapman then gave the fee, recommending the assurance company to the Attorney's favour, saying, 'The company would speak for itself, and hoped, if it should be found to

be of use to the nation, that he would favour it,' and some words of that kind, and then they withdrew." The accusation failed, the decision being, "That the Right Honourable Nicholas Lechmere had discharged his trust, in the matters referred to him by his Majesty in Council, with honour and integrity."

In the mean time the two new companies proceeded slowly. "Onslow's Insurance," as the Royal Exchange was called, and "Chetwynd's Bubble," the title given to the London, were hawked in Change Alley along with companies for "importing jackasses" and for "fatting hogs." The House of Commons was privately importuned by lavish promises, and publicly solicited in two letters printed and given to every member. Even in that age of corruption their bribery proved vain; and had not a fortunate chance turned up in their favour, their application for charters might have been dismissed with contempt. By some inadvertence, the grand Committee of Supply had been dismissed before provision could be made for the arrears in the civil list. The ministers were in despair; and the companies took advantage of the necessities of the State to offer the large sum of 600,000*l.*, on condition of receiving his Majesty's charter for their respective companies. The offer was eagerly grasped by the

ministry; and on evidence being given of the respectability of the members,—of the cash lodged at the Bank to meet losses,—of their funded property, and of the amount of the business transacted,—Mr. Aislabie, Chancellor of the Exchequer, presented to the House the following message:—

"His Majesty, having received several petitions from great numbers of the most eminent merchants of the city of London, humbly praying he would be graciously pleased to grant them his letters patent for erecting corporations to assure ships and merchandise, and the said merchants having offered to advance and pay a considerable sum of money for his Majesty's use in case they may obtain letters patent accordingly; his Majesty, being of opinion that erecting two such corporations, exclusive only of all other corporations and societies for assuring of ships and merchandise, under proper restrictions and regulations, may be of great advantage and security to the trade and commerce of the kingdom, is willing and desirous to be strengthened by the advice and assistance of this House in matters of this nature and importance. He, therefore, hopes for their ready concurrence to secure and confirm the privileges his Majesty shall grant to such corporations, and to enable him to discharge the debts of his civil govern-

ment without burdening his people with any aid or supply."

A bill was then ordered to be brought in, and the "most dutiful Commons" waited on his Majesty with an address of thanks "for communicating the application for an insurance company," it being "an instance of so much condescension as deserved the highest return of duty and thankfulness."

Each of the companies thus established had power to purchase lands to the value of 1000*l.* yearly. No person could be a director of the London Assurance and Royal Exchange at the same time. Each corporation was to pay 300,000*l.* for its charter; but though this was a chief condition, the difficulties into which they fell induced the government, when life assurance was added to that of marine and fire in 1721, to absolve the proprietors from paying such amount of the 300,000*l.* as remained unpaid.

The following is the most correct list which can be obtained of the assurance projects of the South Sea bubble era: —

1. The Royal Exchange.
2. The London Assurance.
3. For a general insurance on houses and merchandise, at the Three Tuns, Swithin's Alley, 2,000,000*l.*
4. For granting annuities by way of survivorship, and providing for widows, orphans, &c., at the Rainbow, Cornhill, 1,200,000*l.*

5. For insuring houses and goods from fire, at Sadler's Hall, 2,000,000*l.*

6. For insuring houses and goods in Ireland, with an English earl at the head of it.

7. For securing goods and houses from fire, at the Swan and Rummer, 2,000,000*l.*

8. Friendly society for insurances.

9. For insuring ships and merchandise, at the Marine Coffee-house, 2,000,000*l.*

10. British Insurance Company.

11. For preventing and suppressing thieves and robbers, and for insuring all persons' goods from the same, at Cooper's, 2,000,000*l.*

12. Shales's Insurance Company.

13. For insuring seamen's wages, Sam's Coffee-house.

14. Insurance Office for horses dying natural deaths, stolen, or disabled, Crown Tavern, Smithfield.

15. A company for the insurance of debts.

16. A rival to the above for 2,000,000*l.*, at Robin's.

17. Insurance Office for all masters and mistresses against losses they shall sustain by servants, thefts, &c., 3000 shares of 1000*l* each, Devil Tavern.

18 For a general insurance in any part of England.

19. A copartnership for insuring and increasing children's fortunes, Fountain Tavern.

20. For carrying on a general insurance from losses by fire within the kingdom.

21. Insurance from loss by Garraway's Fishery, Crutchley's, at Jonathan's Coffee-house.

22. Mutual Insurance for Ships.

23. Symon's Assurance on Lives.

24. Baker's second edition of Insurance on Lives.

25. William Helmes, Exchange Alley, Assurance of Female Chastity.

26. Insurance from house-breakers.

27. Insurance from highwaymen.

28. Assurance from lying.

29. Plummer and Petty's Insurance from death by drinking Geneva.

30. Rum Insurance.

A mere glance at this list will show that the ideas conveyed by some of the titles were sound and salutary, and that they are now being brought into action. It is true that we cannot yet insure our homes against house-breakers, or our persons from highwaymen; we cannot yet insure our poor population from death if they drink too much rum or Geneva; we certainly have yet no assurance against lying, however necessary it may be in this age of projects; nor have we, like William Helmes, of Exchange Alley, commenced a company to insure female chastity. These were Utopian schemes into which we have not yet entered; but with many of the more practical we are growing familiar. The present "Agricultural Society" answers to that for insuring cattle. The "Guarantee Company" has adopted that of "insuring to all masters and mistresses the losses they may sustain by their servants." The company for the "insurance of debts" is at the present day fairly represented by the "Commercial Credit Mutual Assurance Company;" nor is there much doubt that the system will be spread to a still greater extent. The society for insuring seamen's

wages was very desirable, as the sailor never received his pay in cash, and parted with his tickets at a heavy discount. To this some of our naval losses may be attributed, as our best men went over to the enemy in consequence. A company, therefore, which should cash the seamen's tickets at a fair rate would have been a national good.

Of course, schemes were plentiful enough, and many plans were commenced with no other view than that of receiving deposits and spending them. One of the offices was started by an old man called Le Brun. In 1690, he had promised to bring up pearls and gold from sunken ships. In 1710, he had been conspicuous in offering strange benefits to all who joined his Marriage and Widows' Assurance Company; and in 1720, he was ready with something new. His life had been one of adventurous daring. He had owned a privateer when privateers were pirates. He had been, as a boy, with Sir Henry Morgan in his bucaneering attack on Panama. He had accompanied Paterson in his ill-fated Darien expedition. But in all had he failed to procure the gold for which his soul thirsted, and that which he did obtain was spent in riot. When the Mississippi scheme was acting he was in Paris, and now he came over in time to propose a

wonderful project for the benefit of all who would risk 5*l.* By this "Office of assurance and annuity for every body," any person who paid 5*l.* was to be assured of receiving 100*l.* per annum, "as soon as a sufficient number had subscribed;" and it need hardly be added that, as this "sufficient number" never did subscribe, the assurance of M. le Brun was all that the unhappy subscribers beheld for their money. To prevent the public from suffering by the arts of such men as these, legal proceedings were resorted to; and when the proclamation was issued, not only did it destroy the bubbles, but it produced a serious effect on the two chartered companies. It is probable that they had been "rigging the market," as the directors were ordered to attend the authorities, in order that they might receive a fitting rebuke; and it must have been a very impressive, though not a very picturesque sight, to see a body of respectable, square-toed, elderly gentlemen, with brown coats and cocked hats, listening with subdued awe, as they were sternly cautioned "to keep strictly to the limitation of their respective charters, *or it would be the worse for them.*".

That they took warning from this caution may be deduced from the circumstance already stated, that when they petitioned to be released from the pay-

ment of so much of the 300,000*l.* as was not paid *, the Chancellor of the Exchequer signified his consent, and a clause was inserted to that effect in a bill then passing through the House.

It must not be supposed that any more scientific system than that adopted by the Amicable Society guided these companies. On the contrary, whether an applicant were 12 or whether he were 45, one premium was asked. The policy was granted for a single year, and renewed without reference to age or to health. The earliest document possessed by either of these companies is dated 25th November, 1721. It was granted by the London Assurance to Mr. Thomas Baldwin, on the life of Nicholas Bourne, for 100*l.*, five guineas being the premium for twelve months; and this was the annual per centage paid for many years. With such a system, it is not to be wondered that the success of the company was slow.

* The total amount paid by each company was 150,000*l.*

CHAP. VI.

SKETCH OF DE MOIVRE. — HIS DOCTRINE OF CHANCES. — KERSSEBOOM. — DE PARCIEUX. — HODGSON. — DODSON. — FIRST FRAUD IN LIFE ASSURANCE — ITS ROMANTIC CHARACTER. — THOMAS SIMPSON. — CALCULATIONS OF DE BUFFON.

To the same year which witnessed the proposition for the new companies we are indebted for the work entitled the "Doctrine of Chances," written by Abraham de Moivre, who, owing to the revocation of the Edict of Nantes, was compelled to seek shelter in England, where he perfected the studies he had commenced in his own country. In his boyhood he had neglected classics for mathematics, to the great surprise of his master, who often asked "what the little rogue meant to do with those ciphers." In 1718, he published the first edition of the above book; and a few extracts from this, which led him afterwards to his hypothetical application of those chances to the survivorship of life, may not be unacceptable; as, though the author deemed it wise to apologise in his dedication for publishing a work which "many people in the world

might think had a tendency to promote play," yet his volume will prove the best apology. The book is very entertaining in its character, and is an evidence of an inquiring and mathematical mind employing itself upon trifling questions rather than remain idle. Thus, Case I. is "To find the probability of throwing an ace in two throws of one die." And this kind of problem he varied to almost every possible form. There is "the probability of throwing an ace in three throws," of "throwing an ace in four throws," of "two aces in two throws," of "two aces in three throws," worked out in a most exact and elaborate manner. From dice he proceeded to lotteries, and showed how many tickets ought to be taken to secure the probability of a prize. The volume, a considerable quarto, was nothing more than an amusing book on gambling and its various chances. But it produced a better effect. A few years later, he published something more worthy of him, in his "Doctrine of Chances, applied to the Valuation of Annuities on Lives," in which he says, with some appearance of surprise, "Two or three years after the publication of the first edition of my 'Doctrine of Chances,' I took the subject into consideration; and consulting Dr. Halley's tables of observation, I found that the decrements of life, for

considerable intervals of time, were in arithmetical progression; for instance, out of 646 persons of 12 years of age, there remain 640 after 1 year; 634 after 2 years; 628, 622, 616, 610, 604, 598, 592, and 586, after 3, 4, 5, 6, 7, 8, 9, and 10 years respectively, the common difference of those numbers being 6. Examining afterwards other cases, I found that the decrements of life for several years were still in arithmetical progression, which may be observed from the age of 54 to the age of 71, where the difference for 17 years is constantly 10."

The greatest difficulty which occurred to him was to invent practical rules that might readily be applied to the valuation of several lives, "which was, however, happily overcome, the rules being so easy that, by the help of them, more can be performed in a quarter of an hour, than by any method before extant in a quarter of a year."

It was first published in 1725; and finding thus from Halley that, for several years together the decrement of life was uniform, it being only in youth and old age any considerable deviation took place, he founded an hypothesis that it was uniform from birth to extreme old age; in other words, that out of a given number of persons living at any age, "an equal number die every year until they are all extinct."

On this he gave a general theorem, by which the values of annuities on single lives might be easily determined. This was of great use at the time, no table of the real value of annuities having then been published, except a very contracted one founded on Halley's paper; and if subsequent investigations proved that De Moivre was utterly wrong, his conclusions formed the basis of many a future calculation.

Although the ability of De Moivre was recognised by the Royal Society when it appointed him arbitrator in the contest betwixt Newton and Leibnitz, and although Newton, when applied to for an explanation of his own works, would often say "Go to De Moivre, he knows better than I do," yet it is to be feared that golden opinions were won by him more freely than guineas.

It is sufficiently known that the coffee-houses of the eighteenth century were the resort of all who sought intelligence or loved the company of the wits and fine men about town. To one of these, in St. Martin's Lane, De Moivre went, where it was customary to apply to him for the solution of many questions connected with annuities, and for answers to quéries concerning games of hazard, which were propounded to him by those who hoped to turn the

chance of loss into a certainty of gain. The payment of these questions was his chief mode of subsistence; and there is something unpleasant in the memory of this man, compelled, in his old age, to be at the bidding of gamesters, and to consort with men who lived on the town by their wits.

The opinion of posterity is divided upon his merits. "By the most simple and elegant formulæ," says Francis Baily, "he pointed out the method of solving all the most common questions relative to the value of annuities on single and joint lives, reversions, and survivorships." The subsequent editions of his works prove that he was aware of his errors of detail, by correcting them. He enlarged the boundaries of the science which he loved, and encouraged others to follow in the same path. Although his hypothesis may not be applicable to all occasions and circumstances, and though later discoveries proved that it could not be always safely adopted, "nevertheless it is still of great use in the investigation of many cases connected with this subject, and will ever remain a proof of his superior genius and ability." Such is the opinion of Baily on the merits of De Moivre; but it has been added by Morgan, that "on the whole the hypothesis of De Moivre has probably done more harm than good, by turning the attention

of mathematicians from investigating the true laws of mortality."

In 1737, an attempt was made to calculate the number of the people, which was estimated at 6,000,000, an amount probably not very far from the mark; as in 1688 the population was reckoned at a little over 5,000,000. Some important assistance was rendered in 1738, by the publication of Kersseboom's tables, taken from the records of life annuities in Holland*; and as the ages of the annuitants had been there recorded for 125 years, they proved a considerable aid to those interested. So

* By Kersseboom's table, out of 817 persons of 20 years of age, all living at the same time —

711	will have lived to	30	years
605	„ „	40	„
507	„ „	50	„
382	„ „	60	„
245	„ „	70	„
100	„ „	80	„
10	„ „	90	„

By De Parcieux's, it appears that out of 814 persons of 20—

734	will have lived to	30	years
657	„ „	40	„
581	„ „	50	„
463	„ „	60	„
310	„ „	70	„
118	„ „	80	„
11	„ „	90	„
1	„ „	94	„

small was the progress made in England by 1746, that Dr. Halley's Breslau Tables and those of M. Kersseboom were the only ones which gave anything like a representation of the true laws of mortality. In this year, however, the "Essai sur les Probabilités de la Durée de la Vie Humaine" of M. De Parcieux, with several valuable tables deduced from the mortuary registers of religious houses in France, and from the nominees in the French tontines, were an additional contribution to our information.

The first effort to show the value of annuities on lives from the London Bills of Mortality is attributable to James Hodgson. Nor was this endeavour uncalled for or unnecessary. Many assurance offices had arisen, undertaking to grant these annuities; and the tables principally in use were founded on the decrease of life at Breslau. But by the Breslau Tables, half the people lived till they were about 41 years of age, while in London half did not reach the age of 10. This was a vast difference in the estimate of mortality, and affected the price of annuities in a proportionate degree. But if the Breslau Tables calculated life at too high a rate, it was equally evident that the London Tables made them too low; it is obvious, therefore, that the value of a life annuity

founded on any confined observations would be unsuitable to the general annuitant; and it is evident that a scale of prices should have been based on a more enlarged foundation.

The work of Mr. Hodgson deserves very great attention, and the notice of the reader is called to its investigation, as the conclusions were arrived at after great labour, and are a specimen of the time and trouble bestowed on the subject. "The easy way of raising money for public uses," says Mr. Hodgson, "by granting annuities upon lives, has met with so great encouragement that there is no room to doubt it will be carried down to future times." The following statements of this gentleman will be read with surprise by those who are acquainted with the chances of life as calculated at the present day. He estimated that "1000*l.* would purchase an annuity of 70*l.* per annum for a life of 29 years 10 months, when money is valued at 3 per cent. per annum; that the same sum will purchase the same annuity for a life of 23 years, when money is valued at 4 per cent. per annum; and that the same sum will purchase the same annuity for a life of 23 years, when money is valued at 5 per cent. per annum; and that it will purchase the same annuity for a life of 16 years 2 months, when money is valued at 6 per cent.

"It appears that the highest value of a life is when the person is about 6 years of age, and that from the birth to that time the value of lives decrease, as they do from that time to the utmost extremity of old age; that a life of 1 year old is nearly equal in value to a life of 7 years old; that a life of 3 years old is nearly equal in value to a life of 12 years old; that a life of 4 years old is nearly equal in value to a life between 9 and 10 years; and that a life of 5 years is nearly equal in value to a life of 7 years of age. And hence arose the custom of putting the value of the lives of minors upon the same value with those of a middling age, which at the best is but a bold guess, and made use of for no better reason, than that they knew of no better way to find the true value."

Such was a portion of Mr. Hodgson's contribution in 1747 to vital statistics. This work was followed in 1751 by the "Observations on the past Growth and present State of the City of London" of Corbyn Morris, containing tables of burials and christenings from 1601 to 1750. The tables were important in themselves, and the book is noticeable as containing a proposal to remodel the Bills of Mortality.

The topic was particularly interesting to mathematical men. In 1753, Mr. James Dodson pursued

the subject, and solved in his "Repository" an immense variety of questions. Hitherto a table deduced by Simpson from the London Bills of Mortality, was the only one taken from real observation. But it need not be said that London was a very limited theatre on which to found the payment of premiums. The number of persons who died there in a given time, doubled that of other and more healthy cities. It was impossible to separate the casual visitors from the natives, in the record of deaths. It was equally difficult to divide those who had been born there, from those who were naturalised by virtue of a long and continued residence. The city, which has ever been the land of promise to the country, brought adventurers from the rural districts in a continued stream. The difficulties which prevented correct information from spreading may be judged by the statement that, from 1759 to 1768 a third more deaths than births were registered, the average annual burials being 22,956 to 15,910 of births. In the previous 10 years, the excess had been 10,500, or near half the burials. The baptismal registries were also very deficient in that large class denominated sectarians; Jews, Quakers, Roman Catholics, and all who refused to recognise the rites of the English Church being excluded. It required, therefore, care

and calculation of no ordinary character to make any approximation to the truth; and Mr. Dodson believed he would be nearer it, by adopting the opinions of De Moivre as the ground work of his tables, rather than by entering on a sea of uncertain and hypothetical calculations.

In 1754, a further "valuation of annuities on lives," deduced also from the London Bills of Mortality was published. By this it appeared that the work of Mr. Hodgson had not produced much effect in sending the Breslau Tables out of general use; for, says the author, "I think it very unreasonable that a poor citizen of London should be made to pay for an annuity according to the probability of the duration of life at Breslau, where, as appears from the bills of mortality, one-half of the people that are born live till they are about 41 years of age, whereas at London one-half die before they arrive at the age of 13."

The first known fraud in assurance is one of the most singular in its annals. The reader must judge for himself of the circumstances attending it; but there is no doubt that others far more fearful in their results have since been practised.

About 1730, two persons resided in the then obscure suburbs of St. Giles's, one of whom was

a woman of about twenty, the other a man whose age would have allowed him to be the woman's father, and who was generally understood to bear that relation. Their position hovered on the debatable ground between poverty and competence, or might even be characterised by the modern term of shabby genteel. They interfered with no one, and they encouraged no one to interfere with them. No specific personal description is recorded of them, beyond the fact that the man was tall and middle aged, bearing a semi-military aspect, and that the woman, though young and attractive in person, was apparently haughty and frigid in her manner. On a sudden, at night time, the latter was taken very ill. The man sought the wife of his nearest neighbour for assistance, informing her that his daughter had been seized with sudden and great pain at the heart. They returned together, and found her in the utmost apparent agony, shrinking from the approach of all, and dreading the slightest touch. The leech was sent for; but before he could arrive she seemed insensible, and he only entered the room in time to see her die. The father appeared in great distress, the doctor felt her pulse, placed his hand on her heart, shook his head as he intimated all was over, and went his way. The searchers came, for those birds

of ill-omen were then the ordinary haunters of the death-bed, and the coffin with its contents was committed to the ground. Almost immediately after this the bereaved father claimed from the underwriters some money which was insured on his daughter's life, left the locality, and the story was forgotten.

Not very long after, the neighbourhood of Queen Square, then a fashionable place, shook its head at the somewhat unequivocal connection which existed between one of the inmates of a house in that locality, and a lady who resided with him. The gentleman wore moustaches, and though not young, affected what was then known as the macaroni style. The lady accompanied him everywhere. The captain, for such was the almost indefinite title he assumed, was a visiter at Ranelagh, was an *habitué* of the Coffee-houses, and being an apparently wealthy person, riding good horses and keeping an attractive mistress, he attained a certain position among the *mauvais sujets* of the day. Like many others at that period, he was, or seemed to be, a dabbler in the funds, was frequently seen at Lloyd's and in the Alley; lounged occasionally at Garraway's; but appeared more particularly to affect the company of those who dealt in life assurances.

His house soon became a resort for the young and

thoughtless, being one of those pleasant places where the past and the future were alike lost in the present; where cards were introduced with the wine, and where, if the young bloods of the day lost their money, they were repaid by a glance of more than ordinary warmth from the goddess of the place; and to which, if they won, they returned with renewed zest. One thing was noticed, they never won from the master of the house, and there is no doubt, a large portion of the current expenses was met by the money gambled away; but whether it were fairly or unfairly gained, is scarcely a doubtful question.

A stop was soon put to these amusements. The place was too remote from the former locality, the appearance of both characters was too much changed to be identified, or in these two might have been traced the strangers of that obscure suburb where as daughter, the woman was supposed to die, and as father, the man had wept and raved over her remains. And a similar scene was once more to be acted. The lady was taken as suddenly ill as before; the same spasms at the heart seemed to convulse her frame, and again the man hung over her in apparent agony. Physicians were sent for in haste; one only arrived in time to see her once more imitate the appearance of death, while the others, satisfied that life had fled,

took their fees, "shook solemnly their powdered wigs," and departed. This mystery, for it is evident there was some collusion or conspiracy, is partially solved when it is said, that many thousands were claimed and received by the gallant captain from various underwriters, merchants, and companies with whom he had assured the life of the lady.

But the hero of this tradition was a consummate actor; and though his career is unknown for a long period after this, yet it is highly probable that he carried out his nefarious projects in schemes which are difficult to trace. There is little doubt, however, that the *soi-disant* captain of Queen Square was one and the same person who, as a merchant, a few years later appeared daily on the commercial walks of Liverpool; where, deep in the mysteries of corn and cotton, a constant attender at church, a subscriber to local charities, and a giver of good dinners, he soon became much respected by those who dealt with him in business, or visited him in social life. The hospitalities of his house were gracefully dispensed by a lady who passed as his niece, and for a time nothing seemed to disturb the tenour of his way. At length it became whispered in the world of commerce, that his speculations were not so successful as usual; and a long series of misfortunes, as asserted by him, gave

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a sanction to the whisper. It soon became advisable for him to borrow money, and this he could only do on the security of property belonging to his niece. To do so it was necessary to insure their lives for about 2000*l.* This was easy enough, as Liverpool, no less than London, was ready to assure anything which promised profit, and as the affair was regular, no one hesitated. A certain amount of secresy was requisite for the sake of his credit; and availing himself of this, he assured on the life of the niece 2000*l.* with, at any rate, ten different merchants and underwriters in London and elsewhere. The game was once more in his own hands, and the same play was once more acted. The lady was taken ill, the doctor was called in and found her suffering from convulsions. He administered a specific and retired. In the night he was again hastily summoned, but arrived too late. The patient was declared to be beyond his skill; and the next morning it became known to all Liverpool that she had died suddenly. A decorous grief was evinced by the chief mourner. There was no haste made in forwarding the funeral; the lady lay almost in state, so numerous were the friends who called to see the last of her they had visited; the searchers did their hideous office gently, for they were, probably, largely bribed; the phy-

sician certified she had died of a complaint he could scarcely name, and the grave received the coffin. The merchant retained his position in Liverpool, and bore himself with a decent dignity; made no immediate application for the money, scarcely even alluding to the assurances which were due, and when they were named, exhibited an appearance of almost apathetic indifference. He had, however, selected his victims with skill. They were safe men, and from them he duly received the money which was assured on the life of the niece.

From this period he seemed to decline in health, expressed a loathing for the place where he had once been so happy; change of air was prescribed, and he left the men whom he had deceived, chuckling at the success of his infamous scheme.

It need not be repeated, that the poverty-stricken gentleman of the suburbs, the gambling captain of Queen Square, and the merchant of Liverpool, were identical. That so successful a series of frauds was practised appears wonderful at the present day; but that the woman either possessed that power of simulating death, of which we read occasional cases in the remarkable records of various times, or that the physicians were deceived or bribed, is certain. There is no other way of accounting for the success of a scheme

which dipped so largely into the pockets of the underwriters.

The next movement in the scientific annals of life assurance was made by Thomas Simpson, a natural and self-taught mathematician, whose life prior to throwing himself on the world of London for support had been somewhat of a vagrant one. He had cast rustic nativities, told fortunes, advanced courtships, and occasionally varied his vagabondism by undertaking to raise the devil, an attempt in which he was so successful, that he sent his pupil mad, and was obliged himself to leave the village. In 1740, he produced a volume "On the Nature and the Laws of Chance;" in 1742, this was followed by his "Doctrine of Annuities and Reversions," deduced from general and evident principles, with tables showing the value of joint and single lives. In 1752, he made an additional contribution to the statistics of annuities, as he published in his "Select Exercises" a supplement, wherein he gave new tables of the values of annuities on two joint lives, and on the survivor of two lives, more copious than hitherto. He first attempted to compute the value of joint lives; but as these were still taken from the London Bills of Mortality, they were by no means fit for general acceptance. He

treated his subject, however, more broadly and clearly than it had been previously treated, giving some of the best tables of the values of life annuities, which were published for many years. Though the manner in which they might be computed had been shown by Dr. Halley, it is to the self-taught Simpson we are indebted for their practical application.

In 1760, M. Buffon published a further contribution to the statistics of assurance, in a table of the probabilities of life, estimated from the mortality bills of three parishes in Paris, and two country parishes in its neighbourhood.

The following are some of his calculations:—"By this table," says the author, "we may bet 1 to 1 that a new-born infant will live 8 years; that a child of one year old will live 33 years more, that a child of full two years old will live 33 years and 5 months more, that a man of thirty will live 28 years more; that a man of forty will live 22 years longer, and so through the other ages."

Buffon adds, "The age at which the longest life is to be expected is 7, because we may lay an equal wager, or 1 to 1, that a child of that age will live 42 years and 3 months longer. That at the age of twelve or thirteen, we have lived a fourth part of our

life, because we cannot reasonably expect to live 38 or 39 years longer; that in like manner at the age of 28 or 29, we have lived one-half of our life, because we have but 28 years more to live; and lastly, that before fifty we have lived three-fourths of our life, because we can hope but for 16 or 17 years more."

Some profound moral reflections followed these estimates; and as a critic of the day "thought all serious remarks out of place in an arithmetical calculation, and that M. Buffon had better reserve them for his book on beasts," the reader will not be troubled with their repetition. He will not, however, be displeased to read the remarks on this table, by one of the annotators of the day.

"For insuring for 1 year the life of a child of three years old we ought to pay 10 per cent., for as it has by M. Buffon's table an equal chance of living 40 years, it is 40 to 1 that it does not die in a year. In the same manner we ought to pay but 3 per cent. for insuring for 1 year the life of a lad of nineteen or twenty; but 4 per cent. for insuring for 1 year the life of a man of thirty-five; and 5 per cent. per annum for insuring for 1 year the life of a man of forty-three; after which the insurances ought to

rise above 5 per cent. in proportion to the advance of a person's age above forty-three. So that a man of seventy-seven ought to pay 25 per cent, and a man of eighty-five 33½ per cent. for insuring his life for 1 year."

CHAP. VII.

RISE AND PROGRESS OF THE EQUITABLE — ITS DANGERS AND ITS DIFFICULTIES — COMPARATIVE PREMIUMS. — SKETCH OF MR. MORGAN—HIS OPINIONS.—SINGULAR ATTEMPT TO DEFRAUD THE EQUITABLE—DEATH OF THE OFFENDER.—ATTEMPT OF GOVERNMENT TO ROB THE OFFICES.

THE first meeting of the Equitable Society for the assurance of life and survivorship "was holden at the White Lion in Cornhill" in 1762, when only four assurances were effected. In the next four months their number did not exceed thirty; and so lightly were the prospects of the institution held by those having authority, that when the Attorney-General was applied to for an act of incorporation,—"I do not think the terms are sufficiently high," was his intelligent opinion, "to justify me in advising the Crown to grant a charter."

Such was the commencement of this institution. For many years prior, the Equitable had been struggling into being, aided by the lectures of "the justly celebrated Mr. Thomas Simpson," but yet

more by the strenuous exertion of Edward Rowe Mores, an accomplished antiquarian and an enlightened gentleman. To his "great pain and travel," says the deed of settlement, "the society was indebted for its establishment," and in return its promoter was made a director for life with an annuity of 100*l.** Though its board of management included some of the first bankers and merchants of the day, yet then, as now, it seemed necessary to catch a peer of the realm to act as decoy, so Lord Willoughby de Parham, with no interest in its movements or concern in its affairs, was paraded before the public as patron and director, and at the end of two years was gravely thanked for the use of his name in maintaining the reputation of the novel society. It was probably, however, the working spirits, such as Sir Richard Glyn † and Sir Robert Ladbroke who took charge

* In 1768, Mr. Mores quarrelled with and separated from the society.

† Sir Richard was a notability of those days, and divided civic popularity with Beckford, whose colleague he was in the representation of London in 1761. He was made Doctor of Civil Laws by Oxford University, a custom which would have been perhaps more honoured in the breach than the observance; and we owe Blackfriars' Bridge greatly to the energy and exertions of Sir Richard Glyn, Knight, Baronet, and Lord Mayor, and— more honourable title still,—director of our first

of its movements, and who were guilty of, or at any rate were responsible for, the double dealing which followed; for it is quite in keeping with the commercial integrity of the eighteenth century, that the directors, fearing its slow growth would injure its character, gave it the appearance of a more rapid advance, by adopting the unworthy expedient of calling the 25th policy the 275th, thus inducing the world to understand that the society consisted of 250 more members than its actual number. Thus the success of the Equitable institution may be dated from the mendacious employment of names, and from an absolute deception in the number of the policies. For many years, an utter indifference was exhibited by the policy holders about the concerns of the society. It was useless to advertise a general court, as a sufficient number to form a meeting did not answer to the call. Nor could a full court be procured until the cupidity of the members was appealed to, and five guineas were promised to the first twenty-one who should arrive before twelve o'clock. Then, and not till then, were the meetings properly attended; a fact which speaks loudly for the

purely mutual life assurance office. We look in vain for such names as Glyn, Gosling, Ladbroke, or Beckford, among the sheriffs and aldermen of the present day.

shrewdness of those who devised the scheme, and the avarice of those who formed the association.

The usual quarrels which depress young institutions, pursued the Equitable; and twenty-one persons who had contributed to pay the original expenses made a sudden claim of 15*s.* for every 100*l.* assured. This was resisted by the new members, and "kindled into a flame that might have destroyed the society, had not the moderation and good sense of Sir Charles Morgan and a few other sober-minded gentlemen allayed the fervour of the contending parties, and prevailed on them to enter into a compromise." The natural result of this "flame" was to decrease the number of policies from 564 in 1768, to 490 in 1770, and it was some time before the assurances were again increased.

There were many reasons for its comparative want of success. There was an air of mystery about the Equitable which did not become a commercial institution, and which is now difficult to understand. In December, 1762, a solemn oath was taken by directors and actuary, "never to discover the names of persons making or applying for assurances," as if some unimaginable disgrace attached to it. The terms, notwithstanding the learned opinion of Mr. Attorney-General, were enormous; for Mr. Dodson,

taking the London Bills of Mortality from 1728 to 1750 as his foundations, produced premiums so high as to be almost prohibitive. He had, "for greater security, assumed the probabilities of life in London during a period of 20 years, which, including the year 1740, when the mortality was almost equal to that of a plague, rendered such premiums much higher than they ought to have been, even according to the ordinary probabilities of life in London itself."

In addition, there were certain fantastic extreme premiums for fancied risks: there was "youth hazard," "female hazard," and "occupation hazard"! There was 11 per cent. placed on the premiums of "officers on half-pay," and on persons "licensed to retail beer." There was no capital on which to fall back, as with the Royal Exchange and London Assurance; and in addition, the original subscribers claimed all the entrance money for themselves, so that, altogether, it is no great wonder there was a lassitude and lack of vigour in the first few years of the institution. There was also probably more impediment in insuring with a company than with a jobber, as the underwriters would not be hedged with the forms and ceremonies which always surround a board of directors.

The following is a comparative statement of the

premiums in 1771, with those now charged; and though the former may excite a smile, we must remember that up to this period there had been no attempt whatever to vary the payments in proportion to age, but that 5 per cent. was still the accustomed demand for youth and eld: —

Age.	Premiums in 1771. Male.			Premiums in 1771. Female.			Present Premiums.		
	£	s.	d.	£	s.	d.	£	s.	d.
14	2	17	0	3	3	11	1	17	7
20	3	9	4	3	14	3	2	3	7
25	3	14	0	4	1	5	2	8	1
30	3	18	7	4	4	4	2	13	4
40	4	17	9	5	4	8	3	8	0
49	6	2	5	6	11	0	4	17	10

In 1769, the continuance of the Equitable must have been very doubtful; and had it not been for Dr. Price's treatise, which recommended it to public notice, it is possible that this beneficial institution would have been closed. Hitherto its actuaries had been men who knew nothing about their business. The first, Mr. Mosdell, was a simple accountant; its second, Mr. Dodson, son of the mathematician, possessed the name, without the acquirements, of his father; the third, Mr. Edwards, was sufficiently aware of his own incapacity never to trust to himself; the fourth was a vice-president, who knew about as much of the art as his predecessor; nor was it until

1775, when Mr. Morgan was appointed, through the interest of his uncle, Dr. Price, that any real progress was made. From this period a new era may be dated; and "the society, no longer going on from year to year in ignorance and terror, incapable of deducing any just conclusion as to its real state, became now, by its more intimate connection with Dr. Price, possessed of ample means for ascertaining that fact and forming its future measures on the solid principles of mathematical science."

In 1776, as Dr. Price urged on the directors the necessity of decreasing the tables of premiums, declaring them to be exorbitant and absurd, the female and youth hazard were at once abolished; and in consequence of an examination of the accounts, all the payments were reduced one-tenth. In 1780, on the recommendation of the same gentleman, the Chester and Northampton observations of mortality were adopted as the basis of the premiums, with an addition of 15 per cent., because certain directors thought the doctor was lowering the character of the institution by lowering the charges. In 1786, however, this 15 per cent. was discontinued, and various additions were made to the policies, which, like the taste of human flesh to the tiger, stimulated

the proprietors to ask for more.* At the next meeting, ignorance and avarice united to demand a repetition of the bonus; but the majority decided on investigating the affairs of the society, and so satisfactory was the result, that a further 2 per cent. was added. In another two years an addition of 1 per cent. of all insurances of an earlier date than 1795 was voted; but still the cry was "Give! give!!" from a few absurd and insatiable proprietors. Success continued to mark the progress of the society; and by 1815, alarm being manifested lest it should become unmanageable from its magnitude, a resolution was passed limiting the participators in the surplus to 5000. Decennial investigations were agreed to, and the Equitable maintained its brilliant career. Below is a tabular statement of its progress; but it would be unjust to close this sketch without a more special allusion to one whose name was connected with it for upwards of half a century. Mr. Morgan, nephew to Dr. Price, was, as his name would imply, a native of the principality. Although originally educated for the medical profession, he showed so great a tabular

* That the safety of this Society was doubtful may be partly judged from the fact, that half the policies issued within the first twenty-five years had been abandoned, probably from doubt of their ultimate payment.

aptitude, and evinced so much facility in the acquirement of mathematical knowledge, that Dr. Price induced him to relinquish the profession of surgeon for the situation of actuary to the Equitable; his management of which, seeing it rise from a capital of a few thousands to many millions, was sound and judicious; and although the institution contained in itself the germ of its success, yet Mr. Morgan's arrangements tended to raise it to a position of almost national importance. His mathematical attainments were of the highest order; he contributed important papers to our scientific publications; he wrote various valuable works on annuities; and many a reader will call to mind his last few appearances at the meetings of the Equitable, when, drawn from his retirement, he stood bravely up to oppose, with the experience of a long life, the rash innovations of greedy proprietors: when he alluded so modestly to his past services, and touched so feelingly on that great misfortune, the death of his "friend, associate, and son," which had compelled him to leave his retirement and to appear in defence of those rules and regulations by which he had conducted the Equitable to a distingushed success.

At the present time the following warning of this "old man eloquent," uttered at one of these meetings, may have an effect in staying the demand for

decreased premiums, annual divisions, and half-yearly bonuses:—"Can anything be more absurd, or betray greater ignorance, than to propose an annual profit and loss account in a concern of this kind, or to regulate the dividend or the call by the success or failure of each year? . . . Exclusive of the immense labour of such an investigation, the events of one year vary so much from those of another that no general conclusion can be safely deduced from the experience of so short a term."

A tradition is current that, very shortly after the establishment of the office, a fraud was discovered in time to save the society from loss and to hang the criminal for the attempt. A man named Innes induced his step-daughter to insure her life with the Equitable for 1000*l.* Soon after this she died, and in proper time Innes produced a will, duly signed and attested by her, making him executor and legatee. There were facts connected with her death which seemed morally to implicate him in a terrible tragedy, but there was nothing which could be brought home as legal proof. The character of the man, his eagerness to procure the money, the doubtful circumstances of the case altogether, made the assurers hesitate, and they took the bold course of refusing to pay, upon the ground that the will was not a genuine

document. But the man whose character was bad enough to justify such suspicions, was not likely to lose his money for want of a few false oaths, so he produced upon the trial one of the attesting witnesses, who swore that the will was executed in Glasgow, and that he personally knew the other witness. As Innes, however, undertook to procure further evidence in his favour, the trial was postponed, and when it came on a second time every thing went swimmingly on in his favour. His two confederates, one of them was named Borthwick, were ready to swear anything and everything. The time, the place, the room, were minutely described; the scene was graphically painted; and they sat down satisfied that they had played their parts to perfection. But Innes was not contented: he wanted the thousand pounds; and resolved to "make assurance doubly sure," another person was called, who was to clench the argument by proving that he saw the deceased person sign the will in the presence of the two men who had attested the signature. This witness appeared with fatal effect. Wan and ghastly he is said to have arisen in the witness-box, and well might he be ghastly who was about to peril a brother's life! "My Lord," he said, "my name is Borthwick. I am brother to the witness of the

same name who has been examined. *The will was not made on the Bridge-gate at Glasgow, it was forged by a schoolmaster in the Maze, in the Borough!*" The trial immediately ceased: "a screw is loose," said Innes, as in vain he endeavoured to glide out of court. Of the confederates in this base deed one graced the pillory, another was imprisoned, Innes himself paid the extreme penalty of life, the office escaping the meditated fraud.

It is said to be the boast of the Equitable that this was the only case in which they found it necessary to appeal to law.

Whatever defects may have characterised the constitution of this Society, it was a great improvement on the arrangements of the Amicable and the two proprietary companies. It did all that a legitimate life office could be supposed to do. It assured lives for any number of years, or for the whole continuance of life. It took the price of the assurance in one present payment, or it accepted annual premiums. It allowed annuities to the survivors if they preferred it; and though the scale might be too high for what we now know, it at least was more business-like than its contemporaries; for so slow were the latter to profit by experience, that it was not until the commencement of the nineteenth century that the Royal

Exchange Corporation availed itself of the Northampton Tables to compute its premiums.

In 1779, Mr. Morgan produced his "Doctrine of Annuities and Assurances." This gentleman was the first to detect the inaccuracy of the rules which Mr. Simpson with others had given to discover the value of contingent annuities, and which he himself had adopted in the above work. Notwithstanding the castigation he received from Mr. Baily, for his "loose and obscure manner,"—for the "grossest errors,"—for "distorting,"—for "enveloping in mystery,"—for "introducing a depraved taste in mathematical reasoning," there is no doubt that his was the earliest attempt to give correct solutions on the various cases of deferred annuities which had arisen out of his experience in the Equitable.

The following additions were made to the policies of the Equitable by 1800:—

		£	s.	d.
For every 100*l.* assured in	1762	258	0	0
„ „	1763	249	10	0
„ „	1764	241	0	0
„ „	1765	232	10	0
„ „	1766	224	0	0
„ „	1767	215	10	0
„ „	1768	207	0	0
„ „	1769	198	10	0
„ „	1770	190	0	0
„ „	1771	181	10	0

			£	s.	d.
For every 100*l.* assured in	1772	- -	173	0	0
" "	1773	- -	164	10	0
" "	1774	- -	156	0	0
" "	1775	- -	147	10	0
" "	1776	- -	139	0	0
" "	1777	- -	130	10	0
" "	1778	- -	122	0	0
" "	1779	- -	113	10	0
" "	1780	- -	105	0	0
" "	1781	- -	96	10	0
" "	1782	- -	88	0	0
" "	1783	- -	81	0	0
" "	1784	- -	74	0	0
" "	1785	- -	67	0	0
" "	1786	- -	60	0	0
" "	1787	- -	54	0	0
" "	1788	- -	48	0	0
" "	1789	- -	42	0	0
" "	1790	- -	36	0	0
" "	1791	- -	30	0	0
" "	1792	- -	24	0	0
" "	1793	- -	19	0	0
" "	1794	- -	16	0	0
" "	1795	- -	13	0	0
" "	1796	- -	10	0	0
" "	1797	- -	8	0	0
" "	1798	- -	6	0	0
" "	1799	- -	4	0	0
" "	1800	- -	2	0	0

That a desire for the benefit of insuring was spreading, and that the commercial relations of the Continent were increasing, may be traced in the fact that in 1765 his Prussian Majesty granted letters

patent for establishing a chamber of assurance in Berlin for thirty years, during which period no other assurance office was to be allowed in any part of Prussia; and during the same year, the free city of Hamburg established a company for the sale, not only of immediate, but of deferred annuities.

In 1765, one of those insolent attempts occurred on the part of the state, which reminds the reader of an absolute, rather than of a representative, government. The peace concluded in 1763, followed a war which cost upwards of a hundred millions, and the bribery which was necessary to carry the treaty through the House, had contributed to exhaust the treasury. Money was to be acquired, and the people grumbled at the taxation necessary to raise it. In this dilemma it suddenly occurred to the ministers that there might be unclaimed property in the assurance offices, and by some confusion of right and wrong it was thought just to claim this private property for the public good. Nothing could more decidedly approach confiscation. But in dealing with these offices the government was dealing with a large and influential body of proprietors whose gains were aided by this "dead cash," and who were not men to see their purses invaded with impunity. The Amicable, the Royal Exchange, the London

and the Equitable Assurance Companies numbered among their shareholders the greatest mercantile names of the day; they were the same men, or of the same generation, who as directors or as proprietors of the Bank of England resisted, a few years later, the just demand of William Pitt for the unclaimed dividends on the national debt; a demand so obviously sound that its opponents had not an argument to support their refusal. If, then, they were so vigorous when wrong, it may be imagined that they stood boldly forward when they were right. Their courage was undaunted, and they positively defied the claim. The Whigs declared that it was as barefaced as shutting the Exchequer by the Second Charles; the Jacobites said they might as well have a Stuart as a Guelph, that the minister had mistaken his men, and that under no circumstances would they voluntarily yield. Pamphlets were issued, which distinctly asserted that no one would trust a government acting so infamously; that confiscation of private property to pay a nation's debts was only one remove from bankruptcy; and that no citizen would lend money to a government so unprincipled. The propriety and proper feeling of the people aided the resistance of the offices, and

the attempt was only successful in proving to the state, that all arbitrary power had past away, and that for the future an honest course would be their best policy.

CHAP. VIII.

BUBBLE ANNUITY COMPANIES—THEIR PROMISES—EFFECT ON THE PEOPLE.—DR. PRICE—HIS LIFE.—SIR JOHN ST. AUBYN.—THE YORKSHIRE SQUIRE—ASSURANCES ON HIS LIFE—HIS SUICIDE.

THE bubbles which sprang up in the shape of annuity institutions were numerous. They were becoming objects of serious concern. They attracted the class which understood the least. They appealed to the finest sympathies of nature, and traded in the feelings they sought to excite. Projectors and promoters arose, and with them came societies which could do nothing but empty the pocket of the subscriber to fill that of the manager. There were annuity clubs for naval and for military men, for clergymen and clerks, for schoolmasters and for tradesmen; but as there was no special information by which to govern the rates, or as those rates were more tempting than trustworthy, the subscribers were fleeced, partly in proportion to their own ignorance, and partly in proportion to the consciences of the directors. This was the era of annuity societies,

as the present is the era of life assurance. A prodigious traffic was carried on in such schemes, and a perfect rage for forming them spread through the kingdom.

The most tempting names which could be chosen allured the world. Prospectuses of a vaunting character were passed from hand to hand. The promises of Mr. Montague Tidd, of the Anglo-Bengalee, were nothing to these. Widows were to be provided with all they required, for a nominal amount. Children were to be endowed with fortunes, for comparatively nothing. The London Annuity and Laudable Society out-heroded Herod. The coffee-houses were haunted by agents to spread the praises of a royal Lancaster. Touters—this modern title is expressive—who brought a certain number of subscribers, were allowed the privileges of most of the societies for nothing. A commission of the first year's premium was no uncommon reward to those who attracted a new victim, and very heartless and infamous was the result. In one case a son brought the savings of a parent to a company which was sure to break. Friends insidiously recommended societies, under the guise of kindness, to their intimate acquaintance, and so long as they pocketted the heavy reward, were regardless of consequences. These

associations spread from London to the Continent. Amsterdam, Bremen, Denmark, and Hanover were filled with wretched bubbles of this character, which carried misery to hundreds of homes.

The people were utterly guiltless of all knowledge on the subject. The information which had been brought forward from time to time, had produced its effect on the scientific portion of the world, but those who were practically interested, knew nothing. The young and unthinking were so ignorant or so indifferent to results, that they were content to pay only a fourth or fifth of the fair amount of premiums for their deferred annuities. The elder and more cunning—and by these the societies were principally supported—thought that the bubbles would last their time, and with the selfishness of age, were content. But in the midst of their contentment a shell exploded in their citadel. Dr. Price, an unsuccessful Unitarian preacher, and the contributor of many rare papers to the "Philosophical Transactions," published the work which has brought his name down to the nineteenth century as a deep thinker. There had been hitherto little or no advance in the science which regulated assurance or annuities on lives. The reputation of the doctor drew attention to his work. It was there found

that, not content with the tables of mortality from Breslau, he had obtained correct tables from Northampton, Norwich, Chester, and other places. He entered minutely and by name into the prospects of the various societies, he proved it to be utterly impossible for them to perform their contracts, and averred that, if some fresh arrangements were not entered into, to strengthen the existing companies, they must inevitably fail, for they were founded on principles which could not last; which must deceive the public; and which could only pay the contrivers.

It was seen that no ordinary care and research had been bestowed on his calculations. Chester, Warrington, and Shrewsbury had contributed the English portion of the statistics. From abroad, Sweden and Finland had sent the mean numbers of the living with the annual deaths for twenty-one successive years, together with a complete set of tables of the values of the annuities on single lives, both with and without the distinction of sexes, which completed the interest of a book that is yet quoted with respect. If the book itself were thus important, the character of the writer was sufficiently established to secure a favourable reception to his doctrines. He had already written on the subject, and nothing more completely evinces the general ignorance than

that his two previous papers should have been devoted to topics which are now self-evident; one of them being to demonstrate that marshy ground was insalubrious; and another, to prove that the value of life in large close towns, was less than in the wide, invigorating country.

From Dr. Price the world first heard that half of the children who were born in London, died under three years of age; that in Vienna and Stockholm, half died under two; in Manchester, under five; and in Northampton, under ten. "London," said the worthy Unitarian, "is a gulf which swallows up an increase equal to near three-fourths of that of Sweden." The results of the work were as good as the work itself. The papers of the day quoted its opinions; the subscribers to the annuity societies took the alarm, discontinued their subscriptions, or demanded an inquiry. The rage for establishing new annuity companies was as suddenly stopped by Dr. Price, as in 1720 the old companies were stopped by the arm of the law. A partial reformation was attempted in some, the managers of others suddenly disappeared, while a still greater number finding it impossible to continue, dissolved their society and left the unhappy annuitants to regret their carelessness and digest their loss. Of course, the author did

not escape abuse, and many an anathema was launched at the head of the doctor, and many an epigram pointed at him by those "who live by others' losses."

In 1779, he made a further attempt to contribute to the information of the public in an "Essay on the Population of England;" but the data on which he founded his opinion, was scarcely certain enough to render his conclusions of much value to the statistician. In the fourth edition of his work on annuities, he gave several valuable tables on single and joint lives, at various rates of interest, not only from the probabilities of life at Northampton, but also from the same probabilities at Sweden. His after career is well known. He was employed to form a plan by which the poor might support themselves in sickness and in old age; but which, when introduced to the senate, was rejected. He lived to see the French Revolution, and to be a prophet of good concerning it. Horace Walpole writes in 1790:—"Mr. Burke's pamphlet has quite turned Dr. Price's head. He got on a table at their club, and toasted to our parliament being made a national convention. . . . Two more members got on the table—their pulpit,—and it broke down with them." In another letter he says:—"Dr. Price, who had whetted his ancient talons last year to no pur-

pose, has had them all drawn by Burke; and the revolutionary club is as much exploded as the Cock Lane Ghost." In 1791, he died, and his name has survived Horace Walpole's sarcasms with his own revolutionary principles. The information which he presented, was various and important. Gossip it would be called by some; but it was that gossip to which the historian appeals as a confirmation of his views. The poor's rates were estimated by him at 1,556,804*l.* in 1777. He calculated that 651,580 was rather over than under the population of London in 1769. He explained that the most obvious sense of the expectation of life, was that particular number of years which a life of a given age had an equal chance of enjoying; and he gave it as his opinion, founded on extensive information, "that the custom of committing infants as soon as born to the care of foster-mothers, destroys more lives than sword, famine, and pestilence united."

By his calculations he showed, that—

In Stockholm on an average of	6	years	1 in 19	died.
London	„	„	1 in 20¾	„
Rome	„	„	1 in 21½	„
Northampton	„	„	1 in 26½	„
Madeira	„	„	1 in 50	„
Liverpool	„	„	1 in 27	„

In Berlin on an average of	6 years	1 in 26¼	died.
Sweden (Stockholm excepted)	„	1 in 35	„
Vaud, Switzerland	„	1 in 45	„
Ackworth, Yorkshire	„	1 in 47	„

The varied and valuable information of Dr. Price was of great use in stimulating the minds of those having authority, an improved register of mortality being established at Chester in 1772, and at Warrington in 1773.

The earliest endeavour to encourage a spirit of saving among the poor was made in 1773, a bill being introduced into the House of Commons, the leading provision of which was that every parish where there were four or more officers might grant life annuities, payable quarterly, to those who were willing to purchase them, according to a table annexed.

The bill was supported both by the social and political economists of the House, who had met at Sir George Savile's, in Leicester Square, for this purpose. It had been contrived with much kindness, and framed with considerable ingenuity. It passed the Lower House by a majority of two to one; but in the Upper House was lost. The importance of measures of this character cannot now be doubted. All that tends to produce habits of thrift among our poor is exceedingly desirable. It

is from them we must always hope for a large portion of our taxes, and to give them an interest in order, to place them in a fair social position, to engender habits of self-respect and independence, are considerations of vital importance; and it is, therefore, to be regretted that, at this early period of our manufacturing career, some such impulse was not given to the industrious working-man.

In 1777, several of the brokers and underwriters of the City were mulcted of their iniquitous profits. During the minority of Sir John St. Aubyn, and at the early age of seventeen, this gentleman found himself, like many more, in want of money. The scriveners of the City were ready, the extravagances of the youth supplied, an unlimited amount of cash was placed in his possession, and in return he granted to the underwriters annuities guaranteed on the estates to which he would succeed at twenty-one, assuring his life with them in the mean time to guard against contingencies. Not content with this, the underwriters made him procure the additional guarantee of a schoolfellow, for which the young scapegrace pledged his honour to his friend. When he came of age, he fortunately arrived also at years of discretion, and instituted a suit in Chancery for the destruction of the bonds which he had granted.

Great was the wrath of the money-changers; but their anger was vain, and they were obliged to content themselves with the righteous decision, that on repayment of the principal, with 4 per cent. interest, the annuity bonds should be given up.

Nor was this a solitary instance in which the assurance- and annuity-mongers were overreached. The following will be found both painful and impressive as a warning:—

Residing in one of the wildest districts of Yorkshire, was one of those country squires of whom we read in the pages of our elder novelists. He could write sufficiently to sign his name; he could ride so as always to be in at the death; he could eat, when his day's amusement was over, sufficient to startle a modern epicure; and drink enough to send himself to bed tipsy as regularly as the night came. He was young, having come to his estate early, through the death of a father who had broken his neck when his morning draught had been too much for his seat, and he seemed at first exceedingly likely to follow his father's footsteps. In due time, however, being compelled to visit London on some business, he found that there were other pleasures than those of hunting foxes, drinking claret, following the hounds, and swearing at the grooms;

and that although on his own estate, and in the neighbourhood of his own hall, he might be a great person, all his greatness vanished in the metropolis. With the avidity of a young man entirely uncurbed, enjoying also huge animal powers, he rushed into the dissipation of London, where, as he possessed a considerable portion of mental capacity, he contrived to polish his behaviour and to appear in the character of a buck about town, with some success. His estate and means soon became familiar to those who had none of their own; and as he was free enough in spending his money, and was not very particular in his company, he was quickly surrounded by all the younger sons, roysterers, and men who lived by their wits, of the circle in which he visited. With such as these his career was rapidly determined. The gaming of the period was carried to such an extent that it might truly be termed a national sin, and into this terrible vice he threw himself with a recklessness which almost savoured of insanity. Mortgage after mortgage was given on his estate; but as this was entailed, it was necessary that he should also assure his life, which was done at Lloyd's, on the Royal Exchange, and with those usurers who added it to their other branches of business.

In the midst of his career there seemed a chance for his escape. It may be supposed that many intriguing women fixed their eyes on so desirable a match, and that many young ladies were willing to share the fortunes, for better or for worse, of the possessor of a fine estate. At last the hour and the woman came, and the Yorkshire squire fell in love with a young lady of singular beauty, half friend and half companion to a faded demirep of fashion, who, aiming at the gentleman herself, had committed the incredible folly of placing her friend's charms in comparison with her own. To fall in love was to propose, to propose was in this case to be accepted, and the marriage took place. Immediately afterwards they left the metropolis—the squire's income being much reduced by his liabilities—for his Yorkshire home, dreaming probably sweet dreams of the future, and building castles in the air, of which moderation and amendment were the foundation. For a period he kept them. A son, heir to the entail, was born to him, and soon after this he again made his way to London, for some reason which does not appear. Once more within this vortex of pleasure, his good resolutions failed him, and he was led to the same pursuits, the same pleasures, and the same vices. He forgot his wife in the charms of new beauties, he

forgot his child, he forgot his home. He gambled, he betted, he hazarded his all, until one fine morning, after a deep debauch with some of his companions, where dice and cards with closed doors marked its character, he arose a ruined man. He had lost more than his whole life would redeem, the only security of the winners being his annuity bonds on the estate, and his various life assurances should he die. At the same time, he was aroused to a sense of the wrongs he had suffered; he saw that he had been the dupe of gentlemen sufficiently practised in the art of play to be called sharpers, and saw also, what was doubtless the fact, that he had been cheated to their hearts' content. Almost mad, burning with consuming fire, he determined to be revenged. Another night he was resolved to try his luck, and by playing more desperately than ever, win back, if possible, the money he had lost, and then forswear the dangerous vice. With a desperate resolve to outwit them, in life or in death, he met the gamesters. He had hitherto arranged all the losses he had sustained, and his opponents were prepared to humour him. The doors were once more closed, the shutters were down to exclude light, refreshments were placed in an ante-chamber, and for thirty-six hours the last game was played.

The result may be guessed. The squire had no chance with the men banded against him, and high as his stakes were, and wildly as he played, they fooled him to the top of his bent. Exhausted nature completed the scene, and the loser retired to his hotel. He was ruined, wretched, and reckless. He knew that if he lived it would be a miserable existence for himself and his wife, and he knew also that if he died by his own hand, not only would his family be placed in a better position than if he lived, but that the men who had wronged him would be outwitted, as the policies on his life would be forfeited, and his bonds become waste paper. His mind soon became resolved. He evinced to the people of the hotel no symptoms of derangement; but saying he should visit the theatre that night, and go to bed early, as he had been rather dissipated lately, he paid the bill he had incurred, giving at the same time gratuities to the waiters. He then wrote a letter to one of the persons with whom his life had been assured, stating, that as existence was now of no value to him, he meant to destroy himself; that he was perfectly calm and sane; that he did it for the express purpose of punishing the men who had contrived to ruin him; and, as the policy would be void by this act, he charged him to let his suicide

be known to all with whom his life had been assured. In the evening he walked to the Thames, where he took a wherry with a waterman to row him, and when they were in the middle of the current, plunged suddenly into the stream, to rise no more.

The underwriter who had received the letter, communicated it to the other insurers; and when a claim was made by the gamblers, they saw that they had been duped by the Yorkshire squire, although at the fearful price of self-murder.

CHAP. IX.

GAMBLING IN ASSURANCES ON WALPOLE — GEORGE II. — THE JACOBITE PRISONERS — THE GERMAN EMIGRANTS — ADMIRAL BYNG — JOHN WILKES — YOUNG MR. PIGOT AND OLD MR. PIGOT — LAPLAND LADIES AND LAPLAND REIN-DEER. — INSURANCE ON CITIES. — GAMBLING ON THE SEX OF D'EON — PUBLIC MEETING — DISAPPOINTMENT OF THE CITIZENS. — TRIAL CONCERNING D'EON — LORD MANSFIELD'S DECISION.

For many years prior to 1774, a spirit of gambling which took the form of assurance was prevalent in the City, and so serious did it become that the legislature were compelled to notice it. This mode of speculation is one of the strangest by-ways in the annals of insurance. From 1720 much of the legitimate business had been usurped by it, policies being opened on the lives of public men, with a recklessness at once disgraceful and injurious to the morals of the country. That of Sir Robert Walpole was assured for many thousands; and at particular portions of his career, when his person seemed endangered by popular tumults, as at the Excise Bill; or by party hate, as at the time of his threatened

impeachment; the premium was proportionately enlarged. When George II. fought at Dettingen, 25 per cent. was paid against his return. The rebellion of 1745, as soon as the terror which it excited had passed away, was productive of an infamous amount of business. The members of Garraway's, the assurers at Lloyd's, and the merchants of the Royal Exchange, being unable to raise or lower the price of stocks any more by reports of the Pretender's movements, made sporting assurances on his adventures, and opened policies on his life. Sometimes the news arrived that he was taken prisoner, and the underwriters waxed grave. Sometimes it was rumoured he had escaped, and they grew gay again. Thousands were ventured on his whereabouts, and tens of thousands on his head.

The rebel lords who were captured in that disastrous expedition, were another source of profit to the speculators. The gray hairs of old Lord Lovat did not prevent them from gambling on his life. The gallantry of Balmerino and the devotion of Lady Nithsdale, raised no soft scruples in the minds of the brokers; and when the husband of the latter escaped from the Tower, the agitation of those who had perilled their money on his life, and to whom his violent death would have been a profit, is

described as noisy and excessive. But no sooner was it known that he had escaped, than fresh policies were opened on his recapture, and great must have been the indignation of his high-minded wife when she afterwards heard this trait of City character. Devotional as is the mind of the great metropolis in the presence of mammon, there were perhaps no blacker instances of that foul spirit which sought to make money from the sufferings of gallant though mistaken gentlemen.

The advent of the German emigrants was another opportunity. In 1765, upwards of 800 men, women, and children, lay in Goodman's Fields in the open air, without food. They had been brought by a speculator from the Palatinate, Franconia, and Suabia, and then deserted by him. In a strange land, without friends, exposed by night and by day to the influences of the atmosphere, death was the necessary result. On the third day, when several expired from hunger or exposure, the assurance speculators were ready, and wagers were made as to the number who would die in the week. In the western part of the metropolis considerable feeling was exhibited for these unhappy creatures; in the country a charitable fervour was excited in their behalf; but indubitably the greatest interest was felt by those operators in

the Alley and underwriters of Lloyd's Coffee-house, who had made contracts on their distresses, and speculated on their deaths. The benevolent spirit of England, however, soon put this speculation to an end, by providing the unfortunate Germans with food, shelter, and the means of emigration.

The trial and execution of Byng were productive of a similar mania. At each change in his prospects, slight as his chances ever were, the underwriters raised or lowered their premiums, the assurers were elevated or depressed. This victim of the most dastardly ministry that ever misgoverned England, had but little sympathy from the speculators on his life; and it is difficult to say whether their power, importance, and position, — for jobbers and underwriters then were merchants and men of family, — did not in some degree inflame the feeling for blood which had seized the people. It is certain it did not mitigate it. When Wilkes was committed to the Tower, policies were granted at 10 per cent. if he remained there a specified time. King George, when he was ill, and Lord North, when he was unpopular, were both scheduled in the brokers' books as good subjects. When Minorca was lost, and the premier Duke of Newcastle "began to tremble for his place, and for the only thing which was dearer to him than

his place, his neck," there were plenty to open policies on his life, and plenty to avail themselves of the chances which threatened him. As soon as he resigned his premiership, assurances were entered into on the continuance of the new Pitt ministry in power; and when the duke reassumed office, fresh engagements were opened on the chance of his remaining in place. Successes or disasters were all the same to the assurers; the seals of a prime minister, or the life of a highwayman, answered equally the purpose of the policy mongers; and India or Minorca, Warren Hastings or Admiral Byng, were alike to them if they could put money into their purses. They made wager policies on the lives of the high-minded Jacobite, and they did the same on every batch of felons left for execution. Assurances were entered into on the life of the Regent Orleans of France; and when he was succeeded by Louis Quinze, they insured, not the lives indeed, but the continuance of his mistresses in the favour of the monarch. Day by day during the trial of the Duchess of Kingston for bigamy, there were frequent expresses from West to East with information of the proceedings, which, according to its chances, varied the premiums and excited the cupidity of the assurers. There was absolutely nothing on which a policy could be opened,

but what was employed as a mode of gambling. Scarcely a nobleman of note went to his long account, without an assurance being opened during his illness, by those who had no interest in his life. These policies, especially those on political offenders whose existence trembled in the balance, were most mischievous. A pecuniary interest in the death of any one is fearful odds against benevolent feeling; and it was hardly to be expected that men should throw what influence they possessed into the scale of mercy. The power of opening merely speculative policies on private persons was also demoralising, and perhaps dangerous to life itself. It was not possible — it was not in human nature — to have money depending on the existence of the inmate of your home without watching him with feelings which the good man would tremble to analyse, and even the bad man would fear to avow. People then opened policies on the lives of all in whom they were socially interested; and under the plea of provision, acquired an interest in their relatives which was almost fearful and sometimes fatal, from its intensity. There is no doubt that the system was false and hollow. The son then insured the life of his father; the father opened policies on the life of his son: and when thousands or perhaps tens of thousands of pounds were depen-

dent on on it, who shall tell the feelings of the son, or dare to judge the sensations of the father, if sickness or disease opened a golden prospect? The mind shrinks from the horror of the idea, and recoils indignantly at the thought that such sacred relations of life should be thus sordidly regarded. But the argument might be carried further; for to many a dark mystery might a clue be given, in the remembrance that a pecuniary interest might have existed between the murdered and the murderer!

Nor was this all. One life was commonly pitted against another. Thus, Lord March, afterwards notorious as the Duke of Queensberry, laid a wager with "young Mr. Pigot," that Sir William Codrington would die before old Mr. Pigot. As the latter, however, happened to be dead when the wager was laid, young Mr. Pigot refused to pay; so Lord March went to law, and compelled him to do so. Another adventure excited still more the cupidity of underwriters and assurers, and produced larger and more varied policies than any, except on the sex of D'Eon, whose career is sketched at the end of this chapter. It was spread in the papers that a country baronet had laid a heavy wager that he would go to Lapland, and in a given time, bring home two females of the country and two rein-deer. This,

which was originally only a bet between a couple of foolish young men, created a mania at Lloyd's: policies were first opened that the baronet would not return within the time; then, that he would not return at all; then, that he would die before he reached Lapland. The next movement was to speculate on his returning with the women; and this increased the premiums enormously, immense sums being risked on the childish enterprise. Merchants and men of rank joined in the assurances; and when the adventurer came back with his Lapland deer and Lapland ladies, large sums were paid by those underwriters who had speculated on his failure.

The "London Chronicle" remarks, in 1768, "The introduction and amazing progress of illicit gaming at Lloyd's Coffee-house is, among others, a powerful and very melancholy proof of the degeneracy of the time. Though gaming in any degree is perverting the original and useful design of that coffee-house, it may in some measure be excusable to speculate on the following subjects: —

"Mr. Wilkes being elected Member for London; which was done from 5 to 50 guineas per cent.

"Mr. Wilkes being elected Member for Middlesex; from 20 to 70 guineas per cent.

"Alderman Bond's life for one year, now doing at 7 per cent.

"On Sir J. H. being turned out in one year, now doing at 20 guineas per cent.

"On John Wilkes's life for one year, now doing at 5 per cent. — N.B. Warranted to remain in prison during that period.

"On a declaration of war with France or Spain in one year, 8 guineas per cent.

"But," continued the same journal, "when policies come to be opened on two of the first peers in Britain losing their heads at 10*s.* 6*d.* per cent., and on the dissolution of the present parliament within one year at 5 guineas per cent., which are now actually doing, and underwritten chiefly by Scotsmen, at the above coffee-house, it is surely high time to interfere."

Such was the opinion of the journalist; and the following extract from "Every Man his own Broker," is a further proof that legislation of some kind was absolutely necessary: —

"Another manner of spending the vacation formerly, was in insuring the lives of such unfortunate gentlemen as might happen to stand accountable to their country for misconduct. I am not willing to disturb the ashes of the dead, or I could give an account of

this cruel pastime, the parallel of which is not to be met with in the instance of any civilised nation; but I hope we shall hear no more of such detestable gaming; therefore, as a scene of this kind fully laid open might astonish, but could not convey instruction, humanity bids me draw the veil, and not render any set of men unnecessarily odious.

"A practice likewise prevailed of insuring the lives of well known personages, as soon as a paragraph appeared in the newspapers announcing them to be dangerously ill. The insurance rose in proportion as intelligence could be procured from the servants or from any of the faculty attending, that the patient was in great danger. This inhuman sport affected the minds of men depressed by long sickness; for when such persons, casting an eye over a newspaper for amusement, saw their lives had been insured in the Alley at 90 per cent., they despaired of all hopes, and thus their dissolution was hastened. But to the honour of the principal merchants and underwriters, they caused an advertisement, some years since, to be fixed up at Lloyd's Coffee-house, declaring that they would not transact business with any brokers who should be engaged in such infamous transactions.

"Insuring of property in any city or town that is

besieged, is a common branch of gambling insurance in time of war, but ingenious gamesters, ever studious to invent new and variegate old games, have out of this lawful game (for insurance in general is no more than a game at chance) contrived a new amusement, which is, for one person to give another 40*l.*, and in case Gibraltar, for instance, is taken by a particular time, the person to whom the 40*l.* are paid is to repay 100*l.*; but if, on the contrary, the siege is raised before the time mentioned, he keeps the 40*l.*

"In proportion as the danger of being taken increases, the premium of insurance advances; and when the place has been so situated, that repeated intelligence could be received of the progress of the siege, I have known the insurance rise to 90*l.* for the 100*l.* A fine field this opens for spreading false reports, and making private letters from the Continent. But how infinitely more harmless to trifle with property than to affect the life of a fellow-subject, or to injure him with the public, to serve a private end!

"Of sham insurances, that is to say, insurances without property on the spot, made on places besieged, in time of war, foreign ministers residing with us have made considerable advantages. It was a well known fact, that a certain ambassador insured

30,000*l.* on Minorca in the war of 1755, with advices at the same time in his pocket that it was taken."

At length the legislature interfered, and in order to hinder the growth of gambling in life assurance, it was enacted, that "no insurance shall be made on the life of any person, or on any event whatsoever, where the person on whose account such policy shall be made *shall have no interest*, or by way of gaming or wagering; and that every such insurance shall be null and void.

"It shall not be lawful to make any policy on the life of any person, or on any other event, without inserting in the policy the name of the person interested therein, or for what use, or on whose account such policy is so made.

"Where the insured has an interest in such life or event, no greater sum shall be received from the insurer than the amount of the interest of the insured in such life or event." *

This statute was some time before it came into effective operation. It was after this that policies and wagers were carried on to such an incredible degree in the trial of her Grace of Kingston. The underwriters were fully aware that their movements

* 14 Geo. 3. c. 48.

were illegal; but the spirit of gambling by means of assurance was too common to be put down at once by an act of parliament, and in 1777, a singular instance of the determination to grant wager policies came before the public eye. Charles Genevieve Louise Auguste d'Eon de Beaumont, popularly known as the Chevalier d'Eon, was the cause of a trial before Lord Mansfield, as to the validity of a policy without an insurable interest. The career of this man or woman, for the question was long doubtful, was familiar to the public, and will illustrate the excitement of the period. Equerry to Louis XV. doctor of law, ambassador and royal censor, employed in a confidential mission to the Russian court, and said to be a favourite of its empress, D'Eon came to England with a reputation ready made. He soon quarrelled with le Duc de Nivernois, ambassador from the most Christian King, and as D'Eon proved unsuccessful in his attempt to injure his grace, he was so incensed that he disclaimed all connection with the court and ambassador, declared that the peace had been accomplished in England by the agency of French gold; denouncing also, in no measured terms, those who had been accomplices, and pointing almost by name to men who, under the guise of patriotism, had betrayed their country. As

a patriot's capital is his public character, the accused parties waxed wroth, defied their calumniator, and talked of prosecuting him. The people, unwilling to lose their faith in English probity, took the part of their countrymen, and mobbed the knight wherever he appeared.

In the mean time, doubts arising as to his sex, his calumnies were all forgotten, and a new interest was attached to the chevalier, by the assertion of some that he was male, and of others that he was female. This was something fresh for assurance brokers, and the question was mooted at Lloyd's. At first wagers were made; but as there was no present mode of deciding whether this extraordinary individual was man or woman, they were quickly abandoned.

It was decided, therefore, that policies should be opened on his sex, by which it was undertaken that on payment of fifteen guineas, one hundred should be returned whenever the chevalier was proved to be a woman. At first he pretended to be indignant, and advertised that on a certain day and hour he would satisfy all whom it concerned. The place was a City coffee-house, the hour was that of 'Change, and the curiosity of the citizens was greatly excited. The assurances on this eccentric person's sex were greatly and immediately increased, policies to a very

large amount were made out, wagers of thousands were entered into, and to the rendezvous thronged bankers, underwriters, and brokers. The hour approached, and with it came the chevalier, who, dressed in the uniform of a French officer and decorated with the order of St. Louis, rose to address the assembly. It is easy to imagine the breathless attention of the listening throng (for a million was said to depend on his words), the eager interest of some, the cool cupidity of others, the ribaldry of more, and the astonishment of all, as with an audacity only to be equalled by his charlatanry, he said "he came to prove that he belonged to that sex whose dress he wore, and challenged any one there to disprove his manhood with sword or with cudgel." The spirit of the citizens had long passed away, commerce had sheathed the sword of chivalry, and none grasped the gauntlet for the honour of London. Bankers, brokers, and underwriters gaped at one another aghast; and though the boldness of the speech pleased many, it was far from satisfactory to those who came with the hope of winning a wager, or claiming their assurance money. The knight departed in triumph. Large sums were said to be offered him to divulge his sex. "I know for certain," says a writer of the day, "that there were

sums offered to him, amounting to 30,000*l.*" However this may be, it was thought necessary to settle the question, if possible; and one of the first actions tried after the act to prevent gaming in assurance, arose from a policy on the sex of D'Eon, in which it appeared that Mr. Jaques, a broker, had received several premiums of 35 guineas, for which he had granted policies undertaking to return 100 whenever the chevalier was proved to be a woman. The form of the contract was as follows:—

"In consideration of thirty-five guineas for one-hundred received of Roebuck and Vaughan, we whose names are hereunto subscribed, do severally promise to pay the sums of money which we have hereunto subscribed, on the following condition; viz., in case the Chevalier d'Eon should hereafter prove to be a female."

From this day the star of the chevalier waned in England. He turned fencing-master, but with difficulty obtained a living. He assumed female attire, but his hour was over. He had ceased to be a curiosity to the many; the "death brokers," as Horace Walpole calls them, could make no more by him; and with the assurance on his sex ceases the interest of Chevalier d'Eon, in the context of this volume. His name is only interesting to the reader

from the fact that Chief Justice Mansfield adjudicated on his case, and that an important decision was arrived at in the legal history of this science, when his Lordship declared that a policy of assurance, although not even on life, when entered into without an insurable interest, was against the purport of the act recently passed, and contrary to English notions of morality.

CHAP. X.

FRAUDULENT ANNUITIES — ACT TO PREVENT THEM. — SALVADOR THE JEW. — DAVID CUNNINGHAM THE SCOTCHMAN — HIS CAREER — HIS ANNUITY COMPANY — ITS SUCCESS — HIS DOUBLE CHARACTER—HIS FATE.—MORTUARY REGISTRATION.—JOHN PERROTT — HIS PASSION FOR CHINA — TRICK PLAYED HIM. — CURIOUS FRAUD. — WESTMINSTER SOCIETY. — PELICAN.

WHEN it was found that a fraudulent system of assurance would no longer be permitted, a fraudulent system of annuities usurped its place, and parliament was once more compelled to legislate. By an act passed in 1777, it was determined that, "owing to the pernicious practice of raising money by the sale of life annuities having greatly increased, and being much promoted by its secrecy, the particulars of all deeds, bonds, &c., for granting these annuities shall, within twenty days of the execution thereof, be enrolled in the Court of Chancery, otherwise such bond shall be void. All future deeds also for granting annuities, to contain the consideration and the names of the parties; and that if any part of the consideration be returned, or is paid in bills not honoured, or is paid in goods, or any part retained under pretence

of securing the future payments of the annuity, or under any other pretence, the Court may order the deed to be cancelled. All contracts with persons under twenty-one to be void; and no solicitor, scrivener, or broker, to take more than 10*s.* per cent., under penalty of fine and imprisonment."

A long course of evil doing had led to this enactment. From the commencement of the eighteenth century, Jews, and Christians worse than Jews; usurers, and bankers worse than usurers; had habitually sold life annuities: before this, it was less common, being reserved almost entirely for usurers and goldsmiths. It was a branch of business of which, little as the seller might know, the annuitant knew nothing. But if such men as Snow the banker, Samson Gideon the founder of the house of Eardley *, Fordyce the insolvent banker, and Colebrooke the bankrupt East India director, undertook to grant payments, it may easily be guessed, that they were either unmercifully fleeced, or got nothing at all, when the great millionnaire was in the Gazette.

* "Never grant life annuities to old women," Gideon would say; "they wither, but they never die;" and if the proposed annuitant coughed on approaching the room door, Gideon would call out, "Ay, ay, you may cough, but it shan't save you six months' purchase."—"Chronicles and Characters of the Stock Exchange. By John Francis." 2nd. Edition.

Nor was the practice confined to these men; Exchange Alley was pre-eminent in buying or in selling annuities, in undertaking to pay, or in willingness to receive any amount of money. They were as ready to assure the life of, or to promise an annuity to a country clergyman, as they were to trade in the fall of a prime minister, or to traffic in the blood of an admiral. They took the hoard of the servant with as much coolness as they coined false intelligence; and when a reverse of fortune made them penniless, it involved hundreds of innocent persons with them.

The frauds which now attend the loans of money to the spendthrift, are nothing compared to the gigantic scale with which, under the name of annuities, they were then carried on. If a man granted one on a fine estate for a consideration, that consideration was rarely paid in money. The unhappy borrower was obliged to take whatever he could get. Thus the stock-jobber made his prey receive consols at a price much above that of the market. The merchant gave him a bill of lading for some indifferent kind of merchandise. The banker handed him long-dated bills, and sometimes was a bankrupt before they were due. The large tradesmen — many of whom then, as now, surreptitiously carried on the trade of money lending — got rid of goods which were otherwise un-

saleable. One piece of plate did yeoman's service to its owner; into whatever transaction of the kind he entered, it was always introduced. It was valued at 600*l.* to the recipient, and it was always bought back by the usurer for 70*l.* This man, a wealthy jeweller named Salvador, was a specimen of another class, common enough in the middle of the eighteenth century. His shop in Cornhill was the general resort of those who wanted money and could give good security. He ran from his house to 'Change Alley twenty times a day, to ascertain the price of the funds, in which he dealt largely; and his agony was excessive when it went against him. He would tear his hair and gnash his teeth; he truly rent his heart, but not his garments, for the latter cost money. During these paroxysms, the youngsters of the day were made to suffer most exorbitantly, and one of them openly calling him Shylock Salvador—the name he was usually known by—nearly paid the penalty of his life; for the incensed Jew threw himself on the young profligate and almost killed him. The idiosyncrasy of this man made him mad when he lost his money, and as mad to regain it. Yet he evinced touches of benevolence which redeemed his character, and traits of kindness which made him much loved and respected by all his tribe. To Christians he was

as mischievous as a monkey, taking a delight in giving a crown piece to a beggar, and then following him to demand it back, under pretence that he had given it instead of a penny, with which, however, he always failed to redeem it.

It need not be added that he was loud in his reprobation of the act against gambling in annuities, as it promised to strike a deep blow at his profits. The bill met with much opposition, especially in the upper house, but while the Earl of Abingdon deemed it his duty to denounce its unconstitutional tendency, and to declare, "it was not calculated for the genius of a free nation," the Earl of Mansfield, a higher authority, said, his experience had long since taught him that some bill was wanting to put a stop to the usurious contracts and fraudulent transactions which had been practised for many years, and which were now carried to an height of enormity.

At this period, various brokers and merchants devoted their capital entirely to annuities, and many most honourable men experienced a pleasure in aiding the endeavours of the poor, scorning at the same time to take a mean advantage of the spendthrift; but there were others who would have jobbed in the lives of their fathers, and sold their own souls to perdition in their love of mammon.

There were also the annuity companies which were unsafe, because they were unsound in principles, and of which Dr. Price said that they cared little about it; and that in addition to these there were likewise fraudulent companies established by fraudulent men; let the following sketch bear witness.

Among those who misemployed their capacity in the formation of bubble annuity societies, was one David Cunningham, whose career, so far as it can be gathered, is a strange illustration of perverted powers. Born in the shire of Inverness, of which his father was a native, bred a presbyterian, with the confined if respectable notions of the class, and meant "to wag his pow" in a pulpit, from whence in due time he is even said to have held forth; Cunningham might have been respectable and respected, had not his zeal for proselytism with a fair daughter of his flock carried him beyond the borders of propriety. Like Adam Blair he sinned, but unlike Adam Blair he repented not, and suddenly disappearing from his native place, he left the victim of his passion to repent her misdeed, and his parents to bear the agony of an only son's shame. As a boy he had been remarkable for acuteness and ability, had at an early period devoted himself to arithmetical studies, and, indebted to the pedlar—then the only

communication between town and country—for some odd books which treated of the science of mathematics, had studied them to so much purpose that if the money had been spent on his secular which was spent on his spiritual education, he would probably have been a great mathematician and possibly a good man. Possessed of a fine person and specious address, nothing is known of him until twenty years afterwards, when he appeared in London with a tolerable supply of money, and more than a proportionate supply of audacity. Here he commenced the vocation of schoolmaster. At this time the preaching of Whitfield and Wesley was a passion. Parties of titled people were made up to hear them exhort and used up ladies of rank experienced new sensations when Wesley expounded the religion they had neglected, and Whitfield described the tortures they would endure. Among the votaries of the new apostle, who, with the restlessness of genius soon aspired to lead where hitherto he had followed, was David Cunningham.

He still kept on his school and made use of his gifts in prayer, which were very remarkable, to procure introductions to the better class of London society, among whom he moved with an air of pious humility, alike distinguished for his toadying and his teaching.

These he used as levers for the artful design of forming an annuity company — next to religion, annuity companies being the fashion — to be founded on a new principle for indigent persons and widows. This principle was, that it should be partly self-supporting and partly philanthropic, and that annuities bought by the poor should be aided by the charitable contributions of the rich.

Cunningham was rather late in the market, for the volume of Dr. Price, which dispersed the assurance bubbles, was on the point of publication as he made his announcement; but the Scot was a crafty man, and his prospectus breathed benevolence, not personal benefit; it talked of charity and forgot allusion to per centages. Others might weary themselves in striving to establish a purely self-supporting institution, Cunningham struck into a new path. He showed that of the existing companies some did not ask enough, and some demanded too much. Other societies were often carried on in taverns; his fastidious taste revolted from the idea. The whole mind of this scheming man was bent upon betraying the public, and he determined to establish an Imperial Annuity and Charitable Pension Society, the terms of which should be lower than all others, while any awkward questions as to its responsibilities

should be checked by pointing to a long list of patrons, against whose names should be placed large sums as donations and subscriptions. Directors were not more difficult to procure then than now, but Cunningham chose to be his own manager, and to represent his own board. Persons of rank were as proud of seeing their names to a charity as at the present day, and so plausible and persevering was the Scotchman that he soon procured duchesses and peeresses to herald his speculation.

He was shrewd enough to vary his premiums to the position of the applicant. He would take less than the established rates under cover of a charitable institution; and the poor brought their money to him because they could buy a larger annuity with less cash than anywhere else. He tempted the general public with low rates of premium as he pointed to the character of a board which never met. He would sell a life annuity for whatever he could get, as he never refused an offer; and, with a list of patrons like that which he paraded at the head of his advertisements, it was almost impossible to doubt the solidity of the company. His speculation answered. He had a large office; he employed a considerable number of dependants; and the money which he gained easily he spent freely. More customers came

to his office than to any other's; for while the poor sought him with their savings, the rich advised with him as to investment. He was consulted by widows, and made the trustee of orphans. No one inveighed against mammon with more solemn sanctity, and no one received money with a more demure aspect. He gave great parties; he contrived to connect his name with a certain class of the aristocracy; he dabbled in literature, and, like an enthusiast of the present day, who is said to tell those who connect themselves with his office that neither they nor their children, nor their children's children, can ever know want, he succeeded in impressing on the public a conviction of his worth.

The remarkable character of this man enabled him to play many parts. In his office, and with the Hallifaxes, the Dents, the Glyns, and the Ladbrokes of the time, he was the close, cool, methodical man of business. Punctual to his time, his lightest word his bond, and ready with his payments; he was respected in the City. Connected, as it has been seen, with the sect of Whitfield, he seemed a reverent, devout attender on the rites of religion. Though he gave up preaching when he had attained his object, he yet retained a prominent position in the chapel where he once held forth. But it was afterwards whispered

by those who knew him well, that he had another and less worthy character. That some one marvellously like him was seen in places which sectarians hold in horror; that when with persons he could trust, his orgies were as wild as the worst of a wild time; and close observers might have added that the sweet smile and the unctuous bearing were but the cloak to cover his real designs, had not his purse and his reputation disposed them to be short-sighted.

The game he meant to play is uncertain, as his career was cut short by the publication of the work of Dr. Price, on reversionary payments, which had drawn notice to these societies generally. Some were discovered to be false and hollow; others merely founded in ignorance. Attention became naturally pointed to their framers. Questions were asked as to the promoter of the last new company, which were more easily asked than answered. Cunningham took the alarm, withdrew his cash in gold from the bankers, told his subordinates to continue the business until he returned, and left an address for his correspondence.

From that time he was heard of no more, and the only conjecture that could be made, was from the intelligence that a vessel trading to Ireland had been wrecked, and that one of the bodies was that of a

gentleman supposed to be David Cunningham, the founder of the Imperial Annuity and Charitable Pension Society.

The misery caused to all whom this man had wronged was great; but it is impossible to teach wisdom, and recent annals have shown us that the world, in this respect, has not grown wiser as it has grown older.

The act just given, entitled, "An Act to prevent Gambling in Annuities," struck a severe blow at annuity companies like these, as well as at those which were for the sake of gambling merely, or for which an unfair consideration had been given. It might be evaded by some, or it might be defied by a few; but it at least had the effect of sending the purchasers to those legitimate offices from which alone they were certain of receiving their due.

By this time the subject of mortuary registrations was mooted in magazines and periodicals, and many ideas may be found scattered over contemporaneous literature, which probably assisted to perfect the necrological system which we now enjoy. It may seem trite to relate that in 1773 it was recommended to keep a table of christenings, marriages, and burials in every church, chapel, and place of religious worship, to be published annually; but this was a grasp

of intelligence not previously attained; and when, too, it was advised that the tables of christenings should specify the sexes, and the tables of deaths divide the males into children, bachelors, married men, and widowers, and the females into corresponding denominations, it was really no trifling advance in the objects of life assurance, although it was not thought so at the time. It was said, also, and said justly, "The establishment of a judicious and accurate register of the births and burials in every town and parish, would be attended with the most important advantages,—medical, political, and moral. By such an institution, the increase or decrease of certain diseases, the comparative healthiness of different situations, climates, and seasons, the influence of particular trades and manufactures on longevity, with many other circumstances not more interesting to physicians than beneficial to mankind, would be ascertained with tolerable precision. In the Pays de Vaud and in a country parish in Brandenburgh, 1 in 45 of the inhabitants die annually, and at Stoke Damerell, in Devonshire, 1 in 54. Whereas in Vienna and Edinburgh the yearly mortality appears to be 1 in 20; in London, 1 in 21; in Amsterdam and Rome, 1 in 22; in Northampton 1 in 26; and in the parish of Holy Cross, near Shrewsbury, 1 in

33. In the Pays de Vaud the proportion of inhabitants who attain the age of 80 is 1 in 21½; in Brandenburgh, 1 in 22½; in Norwich, 1 in 27; in Manchester, 1 in 30; in London, 1 in 40; and in Edinburgh, 1 in 42."

This was in 1773, and the intelligent reader will necessarily be reminded of the period when life annuities were paid for without regard to youth or age, and when a life insurance office commenced business, and received equal premiums from the young and from the old, from the healthy and the sick. But people were beginning to think. In 1777 fault was found with the charges of the Equitable, and the following scale proposed: —

	3*l.* per cent.	4*l.* per cent.	5*l.* per cent.
21 years of age	2 17 7	2 16 0	2 15 0
30 „	3 13 4	3 12 8	3 12 5
40 „	4 11 6	4 13 11	4 14 1
50 „	5 15 5	5 18 0	5 17 4

In 1779 a proposal was made for an universal assurance of lives, by means of a tax to be levied by Government. By this all want was to be abolished, and various Utopian benefits to be received. As, however, the scheme was never carried out, it is only worthy of notice as indicative of a growing spirit of inquiry.

In 1783 Mr. Baron Maseres endeavoured to fami-

liarise the mind with the doctrines of life annuities. It is to his discernment that we owe the confirmation of Mr. de Moivre having recourse to an hypothesis concerning the probabilities of the duration of human life, which he yet knew to be untrue, in order to facilitate the computation. This work of Francis Maseres is less referred to than it deserves; but there is reason to believe that the value of his tables for all ages under 75 or 80 were nearer the truth for the average of this country, than any other then extant.

During the mania for insuring anything and everything, there was a man named John Perrott of considerable repute in the coffee-houses and on the Exchange. He resided in a large mansion many miles out of town, and rode to Lloyd's in his coach and four, after the fashion of the magnates of the day. He had come from the country a poor but clever boy, and had worked his way until he could boast that he was worth a plum. His avocations were various. He was a member of Lloyd's; he was a speculator on the money market; he was an insurer of lives, of merchandise, and of anything that was offered, and so daring was his character that he would take any risk however desperate, his motto being, "Everything is insurable — at a premium." He was liberal in his dealings in business, and in his

annuity transactions would often grant more than he was asked if the applicant seemed to require and deserve it. He affected an expensive style of living; his agents bought rare pictures; but his chief delight was to collect fine china, a taste in which he indulged to an extravagant extent. The uglier the monster the dearer it was to John Perrott, and the more he was willing to pay for it. His clerks were employed to board the vessels from the East directly they reached the Thames, and he would at any time leave off business to listen to information about pottery and porcelain. When a man came to insure his life or his ship, to buy an annuity or to sell one, he was sure of a favourable bargain if he could but produce some vase or jar which had been seen by no one else. He had one fine specimen in his collection, which however required a second and similar one to complete its value in his eyes. This he once possessed, but being lost or broken, it afforded him a constant topic of complaint, and out of it arose a characteristic story of the man.

One day he was applied to by a merchant to effect an assurance on a ship which had been long absent, and of the safety of which many doubts were entertained. Perrott demanded a very high premium, and the applicant demurred. In the course of con-

versation, however, he carelessly alluded to a fine porcelain jar of which a friend was possessed, and which he thought he could procure. Perrott's eyes opened as the description proceeded. It was the apple of his eye, the very specimen his soul desired, and his visitor, on witnessing the anxiety he evinced, offered to go for it, good-naturedly declaring it was of no value to him, and at the express solicitation of Perrott went off immediately to fetch the valued prize. The merchant seemed a long time gone, but Perrott attributed this to his own impatience, and felt fully rewarded when he saw him return bearing the porcelain he coveted. With eager hands he grasped it; the assurance on the missing ship was most advantageously concluded for his client; and Perrott went home a happy man. On entering the place where all his treasures were deposited, lo! his own jar was missing, and he found on inquiry that he had been outwitted by his City friend, who had tempted him to a low assurance with information about his own property, and at his urgent wish had procured it from his own home by a deception on his own housekeeper.

Burning with rage, and vowing vengeance against the crafty merchant, whom he determined to expose on 'Change, Perrott went to town the next morning,

where the first information which greeted him was the arrival of the vessel he had just assured. Finding the tables turned in his favour he wisely held his peace, merely making an especial visit to the merchant to congratulate him on the arrival of his merchandise so immediately after he had assured it.

The following fraud, which was perpetrated in 1780, was perhaps the first instance of a deception which has since been often repeated. An application was made to the London to insure the life of a lady for 2000*l.* The references were satisfactory. The lady's health was sound, her habits were good, her constitution was excellent. The usual certificates were handed in and the assurance was concluded. Within six months a claim was made for the money. The ordinary forms were lodged and found to be regular, the disease was certified to be that of the lungs, which of all others should have been discovered in the earliest stages. The directors looked grave and questioned the secretary, and the secretary questioned the doctor. There was no accounting for it; it all seemed regular; no fraud could be alleged, and the policy was discharged. Scarcely had it been paid when certain information was given. Inquiries were again instituted, and it was discovered that one sister being ill and utterly given over, the other

brought a certificate of the invalid's birth, personated her at the assurance office, deceived the medical man, sent in the certificate of her sister's death, and obtained the money. No sooner did the office commence its inquiries than the lady was missing, and the company compelled to abide by its first loss.

An annuity and assurance office, stimulated by the success of the Equitable, was commenced under the title of "the Universal," but history is silent as to its results. Many other attempts were made, some of a purely local character, which were very successful; others, more ambitious, failed in their endeavours. In 1792 the present Westminster Society commenced business, and in 1797 was followed by the Pelican, now in active existence. Some time prior to these, there was an advertisement of a new assurance office on the lives of men, women and children at the Bell and Dragon, otherwise called "Lincoln's Inn Eating-house in Portugal Street, Lincoln's Inn, Back Gate." It need not be added that it was not by means of the "back gate to the Bell and Dragon" that the Westminster and the Pelican obtained their deserved success.

CHAP. XI.

LEGAL DECISIONS. — WILLIAM PITT, AND GODSALL AND CO. — ROMANCE OF LIFE ASSURANCE. — THE GLOBE. — NEW COMPANIES. — THE ALLIANCE — ITS PROMOTERS. — IMPROVEMENT OF THE VALUE OF LIFE CONSEQUENT ON THE IMPROVEMENT IN SOCIETY — ITS DESCRIPTION. — TRIAL CONCERNING THE DUKE OF SAXE GOTHA — IMPORTANT LEGAL DECISION.

It has been said that corporations have no souls to be saved or bodies to be kicked; but it may be added that they have a wild kind of justice meted to them when they appeal to a jury. So early as 1801, this was proved in a case of life assurance.

In 1799, a Mr. Robson, at the instance of a Mr. Kerslake, who was to grant the former an annuity, proposed his life for insurance to the Westminster Insurance Company. The usual forms were passed through, the usual undertaking entered into that the assured was in good health, his age being only twenty-three, and the policy was issued by the office. In three months he died. The Westminster Society made inquiries which perhaps they should have made before, and those inquiries discovered that Mr. Robson had been labouring for some time under

what is popularly known as a tendency to consumption; that in 1797 he had suffered from hæmorrhage in the lungs, but had recovered; that in February, 1799, though he had another similar attack in a more violent degree, he had said nothing about it, opening the policy on his life in March. In the autumn he took cold, fell into a rapid decline and died. There was clearly a predisposition to disease, and though it is a very important consideration, whether a policy once open should not be indisputable, yet until this is so, there is in a case like the present but one view to be taken. The company rightly refused to pay, and an action was brought to compel them.

"Who shall decide when doctors disagree?"

One party swore there were no symptoms which indicated consumption. The other took their oaths that consumption was inevitable with such symptoms. In vain Lord Kenyon charged the jury in favour of the Westminster, the jury knew better than his lordship, and had no notion of a policy being opened without being discharged, whatever the deceit might be. They decided against the company. Another trial was sought and granted, but in vain. The new jury maintained the principles of the old,

and the company lost its money and gained the vituperation of the unthinking.

The great minister of the past century died insolvent, and from this arose one of those actions, which at once confirm a law and establish a principle. In 1803 William Pitt was indebted to Godsoll and Co., his coachmakers, upwards of 1000*l.* To secure some part of this in the event of his demise, they assured his life for seven years with the Pelican Company, for 500*l.* at the rate of 3*l.* 3*s.* per cent. In 1806, three years after this, the premier died without sufficient assets to meet his liabilities. The greatness of his services to the country, the fact that he had died in debt being a proof of his self-abnegation, demanded an acknowledgment, and the state very properly determined to pay his creditors. This was not sufficient for the coachmakers; an immediate claim was made by them for payment of the 500*l.* assured. As Godsoll and Co., however, had received the entire amount of their bill when Mr. Pitt's other debts were discharged, the Pelican refused to pay, on the ground that their insurable interest in the life of the deceased had been terminated by the payment of his debts, and that as the insurance was to meet a special debt, since discharged, they could not recover.

On the one hand, Godsoll and Co., possessed an in-

surable interest at and from the time of the opening the policy, to the death of Mr. Pitt. On the other, the assurance being for a special purpose, to procure the payment of a debt otherwise discharged, there could be no justice in paying it twice. The company therefore offered to return the premiums, but refused to pay the policy. There was an immense amount of special pleading by the counsel of Godsoll and Co. to make the worse appear the better cause. It was contended that, having had the necessary insurable interest up to the death of Mr. Pitt, the after payment of his debts did not vitiate their right; that, in other words, having paid the premiums for a special purpose, which purpose was effected, they ought to receive their 500*l.* instead of being satisfied with the return of the mere premiums. It was now to be resolved whether, under any form or by any subtlety of argument, the statute which said so distinctly an insurable interest was necessary, could be broken through.

Had Godsolls carried their point, every creditor might have insured the life of his debtor and received a double payment of his debt. Every tradesman in London might have speculated on his customers' health, and the act which was to destroy gambling policies, would have been practically repealed. The

judgment of Lord Ellenborough, when he gave the decision in favour of the Pelican, is worth transcribing.

"The interest which the plaintiffs had in the life of Mr. Pitt was that of creditors, a description of interest which was held to be an insurable one. That interest depended on the life of Mr. Pitt in respect of the means and of the probability of payment which the continuance of his life afforded to such creditors, and the probability of loss which resulted from his death. The event against which the indemnity was sought by this assurance, was the consequence of his death as affecting the interest of these individuals assured in the loss of their debt. This action is, in point of law, founded upon a supposed damnification of the plaintiffs, occasioned by his death existing at the time of the action, and being so founded, it follows that if before the action was brought, the damage was obviated by the payment of his debt to them, the foundation of any action on their part on the ground of such assurance fails. And it is no objection to this answer that the fund out of which their debt was paid did not originally belong to the executors, as a part of the assets of the deceased; for though it was devised to them *aliunde*, the debt of the testator was equally satisfied by them thereout, and the damnification of

the creditors, in respect of which their action upon the insurance contract is alone maintainable, was fully obviated before their action was brought. Upon this ground, therefore, that the plaintiffs had in this case no subsisting cause of action in point of law, in respect of their contract, we are of opinion that a verdict must be entered for the defendants."

In one of the eastern possessions of this country, there resided a lady who, when gold was sought there by adventurous men, and when young ladies were regularly educated for the Indian matrimonial market, had left England on an expedition of this character. Her craft and cunning would have insured success, had not her beauty, which is described as exceedingly great, been a sufficient guarantee. She was consigned to the care of a lady who had gone out on a similar adventure herself, and who then held a somewhat high position in her own circle. The arrival of the young adventuress as a new article was marked by a succession of amusements: whispers of love and offers of settlement were not wanting, though, being ineligible, they were disregarded, until she became acquainted with a civilian reputed to be very wealthy, and known to be rather old. This gentleman she married. Unhappily, the wealth was only reputed; and the stormy indignation of the young

beauty when she discovered her error, — when she found her requests for new carriages were disputed, and for new jewellery were refused, — somewhat astounded the indolent Anglo-Indian, who had been the woo'd rather than the wooer, and been married rather than he had married. So soon as she discovered that she had wedded a poor instead of a wealthy man, and that all her care and cunning had been in vain, she grew gloomy, dark, and discontented; but at last, on representing to her husband that she would be comparatively penniless if he were to die, accompanied by blandishments which were the more welcome from their rarity, he procured an insurance on his life, from the agent of a London company, for some thousands.

Among others attached to the household of this gentleman was a native domestic, who at first had received the authority of his new mistress with discontent, for until she came he had been paramount. But it was not long before he succumbed, being suspected of a warmer attachment than could be reconciled with the connection of servant and mistress. There were many whispers circulated concerning them, in the dissipated circle in which the lady moved; though so long as open decency was preserved, the manners of the time allowed a considerable

latitude; and rather than disturb the *dolce far niente* of their indolent and luxuriant existence, they were content to give her the benefit of the doubt. It was not long before symptoms of decaying health — "the liver disease," said the doctor, for every thing was then and there so called — began to appear in the insured man. Whether he declined to apply for leave of absence, or whether some backstairs influence was used to prevent it, is uncertain; at any rate, he still kept at his old quarters, dying gradually away, wasted by slow disease. During this period, the behaviour of his wife was exemplary: his pillow was smoothed, his medicine was administered, his cough was hung over by her: and if she left him for a time, the Hindoo, gliding about like a shadow, was ever by his master's side, to complete what his mistress began. It was noticed, however, that the patient seemed to suffer, rather than desire so close a connection; and to shrink from, rather than claim such attention. This, however, was thought little of, being attributed to an irritability of temper arising from disease.

In due time the unhappy man died; the insurance money was claimed by the widow, and paid by the insurers. The household was broken up, and the widow came to England. For a few years she lived

in great luxury, indulging expensive tastes on the money she had received, until only a few hundred pounds were left in the hands of her bankers. Being a woman of such remarkable beauty, it is somewhat surprising that she had not married a second time in accordance with the extravagant and voluptuous tastes, which her residence in the East had engendered. Instead of this, she formed an acquaintance with a young man of inferior position; a proposal of marriage followed, and she induced him to offer his life for insurance, undertaking to pay the premiums out of her own funds. The banker with whom her money was lodged was amazed when he heard what she was about to do, and made some inquiries of an old East Indian, who was then in England, concerning her former life. The replies of this gentleman, although cautious, were sufficient to point the lady out as a very doubtful character; and whether, on this, a hint was given to the intended bridegroom is uncertain, but that gentleman declared off; and the condition of the insurance not being complied with, the dark purpose was foiled. A few months after other offices were applied to, with proposals for an insurance on the life of a young relative of the same lady, accompanied by a reference to the gentleman who acted as her banker. Inquiries

were necessarily instituted as to the reasons for insuring, but no sufficient cause could be shown. It was found, too, that she had no money to pay more than one insurance; and, coupled with the reports which were afloat concerning her first husband's death, a very dark purpose was assigned to her present movement. Awkward questions were raised — information was received, which pointed to her as the poisoner of her husband, and to the Indian servant as an agent in the infamous deed. A prompt negative was given to her application for insurance; and whether conscience aroused her to a sense of her frightful position, or whether she saw her way to success on the continent or in India, is uncertain. She drew her money from her agents, and disappeared for ever from the society in which she had glided like an incarnation of evil.

'Up to 1800, six offices only were in existence. The Globe, however, followed in 1803, being founded by Sir Richard Glyn; and though purely proprietary, answered the requirements of the time. When it endeavoured to obtain a charter, the vested interests rose against it, using the same arguments to prevent its establishment, which the Globe itself has since brought against the formation of the new companies in 1850. It may be noticed that this in-

surance bill was introduced by Lord Henry Petty*, descended from that Sir William Petty whose services in the cause of vital statistics have already been mentioned. Sir Charles Price, Sir William Curtis, and Mr. Grenfell, opposed it in behalf of the Royal Exchange and London Assurance Companies, on the ground that it would be an infringement of their rights. On behalf of the Globe, it was argued that competition was necessary — that the population and trade of the country had vastly increased since 1720 — that a large amount of insurance was effected out of England, for want of chartered companies — and, above all, that the Globe would give 100,000*l.* to the public. The last consideration carried the point, and the Globe was chartered. In 1805, a movement began in these institutions, occasioned by a great excitement in the money market. In 1806, in 1807, and 1808, eight new offices more were established; and from that year to 1821, out of a great number which were proposed, commenced, and failed, eight additional companies maintained their ground. In 1823, four; in 1824, seven; in 1825, four; and in 1826, three more were added to the list, making, by that year, a total of 41.

* The present Marquis of Lansdowne.

There was room, in 1825, for an augmentation of companies. The population of London in 1821 was 1,225,694; of these very few had assured their lives; and if a city like London were behind in this matter, it may be supposed that the inhabitants of the rural districts were difficult to impress with its importance. Up to 1825, assurance could not be said to have made much advance — certainly not in proportion to the general advance of commerce. There had, indeed, been much to alarm the public as to the safety of life institutions. From 1806 to 1826 more companies had been broken up than had been successful. In the first-named year only 9 were in existence; since which, out of 30 which were commenced, 20 were compelled to abandon their business.* Some went down in total insolvency; others lost a large portion of their capital; another set of directors paid the Provident Life 21,000*l.* to take their risks off

* Birmingham.
Commercial.
Egis.
Hercules.
Kent.
London Commercial.
Marine.
Minerva.
National.
Philanthropic.
Protector.
Rainbow.
Royal Institution.
St. James's.
St. Patrick.
Shamrock.
South Devon.
Southwark and Surrey.
Star.
Sussex.

their hands. Very extravagant promises had been made by these companies. One gentleman announced of the Union Life, "that every feature of its plan was marked by superior liberality and with a decided contempt of all the petty advantages which swell the profits of other offices." A second society, the Provincial Union, offered to take lives at 10 per cent. under others; while another, with a spirit of "extra superior liberality," would do it at 20 per cent. less. Of course such as these were never meant to last; but it was said, "they are persevered in until everything is consumed, while the chief actors laugh in their sleeve and enjoy their profits as long as the bubble lasts, and impunity when it bursts."

Among the companies which were started in 1825, and which attracted attention from the importance of its promoters, was the Alliance. In its marine capacity it broke down the charters of the old corporations, and was at once successful, not from any special merit, but because it numbered among its members the representatives of the first city firms. It may be added, that, among them, four men more alike in the one desire of making money, but more dissimilar in tastes, pursuits, and habits, were never before united. These were John Irving, Baron Goldsmid,

Moses Montefiore, and Samuel Gurney. The first of them, John Irving, affected West End company and aristocratic tastes, by virtue of the friendship of the House of Rutland. He was familiar with men in Lothbury who were never able to meet his eye in Hyde Park. He knew many a merchant on 'Change whom he could not recognise in St. James's. "He shakes me by the hand in the City," growled Rothschild to a friend; "but he can never see me in Piccadilly when he is walking with a duke." Moses Montefiore, the huge capitalist, and Isaac Goldsmid, the hereditary financier, are familiar to the reader. The last on the list is Samuel Gurney, whose simple garb of russet brown and unassuming speech, contrast as much with his great wealth, as his massive, masculine, and almost leonine face does with his single-minded and benevolent character. These were the men who gave at once success and security to the Alliance.

The increased number of offices had the tendency to extend public information, and to draw the attention of many who had hitherto thought nothing on the subject. The original object of life assurance was simply to enable a person to secure to his family the receipt of a certain sum at his death. But by 1825 it was applied to a variety of purposes; assurances were effected by creditors on the lives of

their debtors. If money were borrowed for a year the life of the borrower was assured. In marriage settlements, where the capital would pass from the husband at the death of the wife, an assurance was effected on the life of the latter. "In every form," says Mr. Gilbart, "the system seems to produce unmingled good. It promotes habits of forethought and economy on the part of the assured; it tends, by the accumulation of saving, to increase the amount of the national capital."

The knowledge connected with the population was constantly increasing; and, though it was imperfect enough, still it was in advance of our previous information. In 1801 an approximation was made to that of London, which was supposed to be 864,845; and when it is remembered that Captain Graunt, so early as 1664, calculated it at 384,000, the numbering of the people in 1801 was no small benefit. In 1811, when a second census was taken, the population was stated to be 1,009,546; and a further increase was declared in 1821, when the population showed itself as 1,225,694. These calculations were not effected without difficulty, and many objections were made by good but narrow-minded men, who, from press and from pulpit, did not fail to remind our rulers that David was rebuked

by the prophet, and punished by God, for attempting to do that which they had done.

The health of London was also improved. It was estimated that the introduction of vaccination had increased the mean duration of human life about 3½ years. There had been a great advance in medical skill. Discoveries in chemistry had been brought to bear upon disease. The arrangements of our hospitals had enabled students to graduate under men of distinguished attainments; the discipline of the medical school had been increased; and, though ignorance was often in the ascendant, and quackery was encouraged as a revenue to the state, men —somewhat different to those who were licensed to kill in the days of Fielding and of Smollett—were employed in invigorating the constitutions and prolonging the lives of their fellow-countrymen. We must not also forget, that by 1825 a vast improvement had occurred in the manners and habits of social life. Our fathers still remember their visits when the bottle kept so constant a round that few remained sober; when to be asked to a dinner-party was to be asked to get intoxicated; when two and three-bottle men boasted their acquirements; when the wild orgy disgraced humanity, and the wild debauch destroyed life. We of the present day

boast of this improvement to our children, and whatever new vice may have usurped the place of the old, it is, at least, less open in its defiance, and less baneful in its results. When Petty first published, the streets were confined, cleanliness was disregarded, refuse and offal accumulated in the highways, and ventilation was laughed at. There may still be many receptacles of filth in London, but they do not meet us in our daily avocations. The kennels of Southwark do not run blood two days in every week, as they did in the last century; nor are hogs "bred, kept, and fed," in our populous neighbourhoods. If, therefore, there were any thing in the advance of chemistry, in draining, in ventilation, in more wholesome living, in the absence of open debauchery, it followed that there would be a considerable decrease in the rate of mortality. From 1700 to 1780, the deaths averaged about one in thirty-eight of the existing population. But in 1790 it became about one in forty-five, in 1800 one in forty-eight, in 1810 one in fifty-four, and in the ten years preceding 1820 one in sixty, in England and Wales.

But though these important facts had gradually become known; although it was also clear that people lived longer; that the wealthy classes attained

a greater age than the indigent; that the value of a lady's life, commercially, and not in the spirit of gallantry, was superior to that of a gentleman; it could scarcely be said to be acted on. So late as 1819, Dr. Rees suggested the importance of specifying the sexes, and discriminating them in the burial registers, advising also that the numbers of both sexes dying of every distemper in every manner and at every age should be specified. "This would afford the necessary data for ascertaining the difference between the duration of human life among males and females, for such a difference there certainly is much in favour of females."

The tables on which the rates of the companies had been founded, had given the continuance of life at a far lower estimate than time had proved it to possess. The enormous success of the original societies had proved this; and, by 1821, it was generally understood that the Northampton table was only an approximation to the truth. This table was chiefly in use until the Carlisle table of Mr. Milne gradually made its way, up to which period the following were the principal sources whence information was derived:—

A Record of the Births and Burials in Breslau from 1687 to 1691.

London Bills of Mortality from 1728 to 1737.
Register of Assignable Annuities in Holland from 1623 to 1748.
Lists of the Tontine Schemes and the Necrologies of Religious Houses in France.
Mortality of Northampton for forty-six years prior to 1780.
„ of Norwich thirty years prior to 1769.
„ of Holy Cross thirty years prior to 1780.
„ Warrington for nine years.
„ Chester for ten years.
„ Vienna, Berlin, and Brandenburgh.
„ Seven enumerations of the entire population of Sweden.
„ of similar materials from the Canton de Vaud.

Notwithstanding these varied materials, and although they were quoted as authorities for maintaining a high rate of premium, the societies in existence were well aware that their rates were fixed on too ascending a scale. They had found unexpected sources of profits in lapsed policies; they had estimated an employment of their money at 3 per cent., and, at the very lowest calculation, their receipts had averaged 4 per cent. Nor was this likely to diminish, for there can be no doubt that laws as unerring as those which govern health govern the annual value of money. In 1810, Mr. George Barrett had presented to the Royal Society a new mode of calculating life annuities. This the Society declined to publish, but that which was refused by a public body was

adopted by a private individual, and Mr. Bailey gave it to the world in the appendix to his valuable work on "Annuities." The method of Mr. Barrett was extended and improved by Mr. Davies, in 1825, in his tables of life contingencies; a proof that the Royal Society had made a mistake in refusing to publish the contribution of Mr. Barrett.

In 1830 it was decided that a policy was vitiated because the person insured had only answered the questions demanded, and had not stated all the features of his case. The following is a digest of the circumstances:—

The life of the Duke of Saxe Gotha, after the fashion of the Germans half a century since, was said to have been a dissolute one, and by 1825 had debilitated his constitution. He had lost the use of his speech, and whatever mental faculties he had originally possessed, became materially decreased. Private reports to the directors hinted at these material circumstances, "little as they were believed to have an influence on his natural life." No hint of the kind, however, escaped the friends of the assured, and the directors, trusting to the honour of the duke more than as traders they ought to have done, granted a policy. One year after, Death, respecting not the person of his highness, seized him

for his prey, and it was discovered that a tumour, of some years' standing, had pressed upon his brain and caused his decease.

With only one year's premium received, the office found this claim very unpleasant, and refused to pay. They said the mental state of the duke had not been mentioned, that they were ignorant of his loss of speech, and they fought very vigorously against discharging the policy. The question which rose was, whether it was necessary to give special information which was not asked; whether, in fact, a truthful answer to all queries was not enough. When the trial came on, the verdict was given for the office, because, according to Mr. Justice Littledale, it was the duty of the assured in every case to disclose all material facts within their knowledge: "In cases of life assurance, certain specific questions are proposed as to points affecting all mankind. But there may also be circumstances affecting particular individuals which are not likely to be known to the insurers, and which, had they been known, would have been made the subject of specific inquiries." However legal this might be, it was scarcely equitable. The directors had insured the life of this gentleman, knowing, from private information, that his career had been gay, and his consti-

tution debilitated, and they ought, on every principle of justice, to have been compelled to pay their obligation.

In the same year another very important decision was arrived at. A gentleman assured the life of his son in the Asylum for 5000*l*. After the payment of two years' premium the son died, and the office refused to honour the policy, because the father had no insurable interest in the life of his son. When the case was tried, the grounds on which the counsel endeavoured to prove an insurable interest were, that the father had expended a large sum in maintaining and in educating the deceased; that if a man had an insurable interest in his own life, he certainly had in that of his son; that a father might have many valuable rights and expectations depending on it which he could only protect by an insurance; that, by the statute of Elizabeth, if a father became poor in his old age, and his son was capable of maintaining him, he was bound to do so, and therefore the chance of the father being maintained in his old age was decreased by the death of his son.

The special pleading evident in this line of argument was not calculated to be successful. But though a strict interpretation of the act might jus-

tify the refusal to pay, it does not appear that such a decision is strictly equitable.

The reason which induced the office to refuse payment may possibly be found in the fact that only two years' premium was received, and that, as a young office, they were galled at having made an unfortunate bargain. But there does not seem justice in the interpretation of a law which decides that a father has no interest in the life of his son, although there are many reasons to justify it as expedient. Yet so it was ruled; and this decision affected property to the amount of half a million. Mr. Justice Bayley, in giving judgment, said: "If a father, wishing to give his son some property to dispose of, made an insurance on his son's life, not for the father's own benefit, but for the benefit of his son, there was no law to prevent his doing so; but that was a transaction quite different from the present; and if the notion prevailed that such an insurance as the one in question was valid, the sooner it was corrected the better."

CHAP. XII.

GOVERNMENT ANNUITIES — OPINIONS CONCERNING THEM — GREAT LOSS TO THE STATE. — MR. MOSES WING'S LETTER. — MR. FINLAISON. — NEW ANNUITY ACT — ITS ADVANTAGES TO JOBBERS. — ENDEAVOURS TO PROCURE OLD LIVES. — ANECDOTES CONCERNING THEM. — PHILIP COURTENAY.

Up to the year 1808 there was no mode of investing money in life annuities at once safe and profitable. Although the assurance were also annuity offices, yet, at this period, only three of any standing were in existence, and the public had seen and suffered so much from the failure of various joint stock companies, that they regarded all new societies with a proper degree of jealousy. At the time above named there had been a speculative excitement in the money market, followed by a disastrous panic. Many companies had been compelled to wind up their business, and others, having no business to wind up, had been left to their fate. And of annuities granted by private persons, the public had a well-founded horror; for the persons who had chiefly granted them were bankers, stock-jobbers, and mock millionnaires, who

had often been swept away by panics on the Stock Exchange. In 1809 complaints were instituted that persons wishing to make provision for themselves or their families had no certain fund on which such annuities could be secured, and the ministers were made aware of many infamous practices which often plunged whole families into ruin. The Government, therefore, determined to become dealers in life annuities, and in the very outset made a considerable and almost fatal mistake. The tables of mortality known as the Northampton were the chief basis on which the various life assurance companies founded their premiums; and, by a singular error, the state adopted the same basis on which to grant annuities for life; but as the most intelligent men of the day were employed in calculating and constructing tables, the Government was scarcely to blame, particularly as they sought no profit, entering into the undertaking solely from a consideration of its advantages to the community.

From 1809 to 1819 this system continued. The speculators soon found out that the Government charge for a life annuity afforded a very remunerative investment, and the insurance offices made considerable profit by purchasing and reselling them. The Commissioners of Greenwich Hospital also

selected many of the most healthy of their pensioners, and bought large annuities on them,—a proceeding productive of as much profit to the commissioners as of loss to the state. The mistake made by Government in its calculations was no secret. Actuaries and accountants were well aware of it; and Mr. Moses Wing wrote to the chancellor, informing him that the tables on which they were granted were productive of great loss to the revenue. The ordinary lassitude of Government was displayed in the chancellor's reply, that it was not expedient to make any alteration, as "the compilation of new tables would be attended with much difficulty." Mr. Wing then wrote again, showing that there was a loss of 15 per cent. on some, and on others of 20 and 24 per cent.; and that on a transfer of 12,000,000*l.* stock there was a loss of not less than 2,691,200*l.*, and from this, the chancellor took refuge in a dignified silence.

In 1819 the attention of the authorities was again drawn to the same fact. But vainly for many years had they been informed that the public money was wasted; that no capitalist in London would grant annuities on the same terms; and that a serious loss was incurred. Government servants, like kings, can do no wrong, and the information was officially

pooh-poohed! Letters might be written, and the receipt acknowledged; but the letters were shelved with due determination not to recur to them in a hurry. Among the assailants, however, was one who was important as well as vigorous, and very annoying questions were put in the House of Commons. It was the day when large majorities answered every unpleasant topic, and for a time the querists were silenced. At last it was stated that Mr. Finlaison had informed the Chancellor of the Exchequer that Government was losing 8000*l.* per month by its supineness, and "the patriots," — so miscalled because they were in opposition, — seized on this important point to harass their opponents. It was triumphantly replied that the bill had been in operation since 1808, and was founded on the Northampton bills of mortality. As Dr. Price passed for an authority, and as a name goes a great way, the patriots were dumb, until one of more mark than the rest hinted that the value of life, as estimated by a life assurance company for its own benefit, and on which enormous profits had been made by them, would be just as unfavourable to the granters of life annuities; that the proportion of gain to the office would be the proportion of loss to the Government. The ministers shook their heads at this, and

required time to consider. The economical members pressed their point, and urged an investigation. Night after night they pursued their foes with clamour, and day by day they reiterated their assertions in the clubs. The reports and rumours which were spreading in the financial world, and the assertions which were everywhere made, were, indeed, somewhat alarming. It was said that, according to Mr. Finlaison's report, 400,000*l.* a-year was being lost; many, determined not to be outdone, asserted 100,000*l.* a-week was the lowest estimate; others, that an insurance office had realised 60 per cent. by dealing in them. Statements like these were so injurious to the financial character of the Government, that it was found necessary to stop them; and the chancellor said that, as only 640,000*l.* had been granted in the shape of life annuities, it was not very likely we were losing 100,000*l.* weekly; that Mr. Finlaison was employed in constructing tables; and that, though this gentleman had certainly stated the terms were too favourable, yet the true amount of loss would be difficult to attain, Mr. Finlaison's estimate being an abstruse calculation as to the amount of the National Debt which would be redeemed in sixty years, compared with the amount which would have been redeemed had no annuities

been granted. This he estimated at 3,200,000*l.* less than would have been attained by the Sinking Fund. At last, in 1829, Mr. Finlaison reported to the House, and the tables in connexion were certainly the most valuable of the kind then published. Access had been given to every document bearing on the subject. The registries of the tontines, the ages attained by the lives on which annuities had been granted a century previous — the experience of the offices — procured a mass of information which was turned to great advantage. The tables fill fifty folio pages, and show the rates of mortality, the value of annuities on single lives at all ages, among many classes of annuitants, separate and combined; the sexes being distinguished, both in exhibiting the law of mortality and the value of annuities.

These tables were satisfactory in the evidence they gave of a material improvement in the average duration of life. In forty years so great a change had taken place in the condition of the people, that the decrease of mortality was from 1 in 40 to 1 in 56. They proved, also, to demonstration, the extraordinary difference between the longevity of men and women, a circumstance not hitherto known to a certainty, but one which was most important to the granters of annuities. The result of all these calculations was

comprised in the fact mentioned,—that the public, at the end of thirty-five years, will be burthened with a perpetual annuity of 96,000*l.*, owing to the error so tardily rectified. We shall now see the mode in which these errors were amended.

There is something very provocative of mirth in the economical movements of Government. They had just been obliged to annul tables which had been in operation for twenty years; they had been compelled to acknowledge to the House that they had been wasting the public money; they had employed an actuary for ten years in procuring information on which new tables could be constructed, and scarcely had these been brought into operation than they found they were again in error. While the new act was preparing which was to enable the Government to sell life annuities and annuities for certain terms of years, the tables were shown to a gentleman in the Bank of England, who at once declared that those which were framed for lives above a certain age were too low in price. It was replied that they were taken from the experience of the assurance offices, and that they represented the average value of life at that period. "Yes!" was the reply, "but if select lives are brought, what becomes of your average?"

The act was passed; and by the tables which it authorized a man of ninety by paying 100*l.* would receive for life an annuity of 62*l.* The first payment commenced three months after the purchase, and if the nominee lived one year and a quarter, the nominator received back all the purchase money, so that every half year the annuitant lived after this was pure gain.*

The shrewd gentlemen of the Stock Exchange immediately saw and seized the advantage. Agents were employed to seek out in Scotland and elsewhere robust men of ninety years of age, to select none but those who were free from the hard labour

* The following table will show the precise action of an investment of 100*l.* on a nominee aged 90:—

		£	s.
100*l.* paid on Jan. 4. 1830, would produce			
" "	on 6th April 1830	31	0
" "	on 10th Oct. 1830	31	0
" "	on April 5th 1831	31	0
		93	0
If the nominee lived only one day longer, say to April 6th, 1831, there would be due an additional		15	10
		£108	10

Thus the capital and interest at 8¼ per cent. were returned in one year, three months, and two days.

which tells on advanced life, and to forward a list of their names. The Marquis of Hertford, of unenviable notoriety, added to his vast wealth by choosing as nominees those who were remarkable for high health; on two only, taking annuities of 2,600*l.* Wherever a person was found at the age of ninety, touched gently by the hand of time, he was sure to be discovered by the agents of the money market, the members of which speculated with, but scarcely perilled their wealth on the lives of these men, on such terms.

The inhabitants of the rural districts of Scotland, of Westmoreland, and of Cumberland, were surprised by the sudden and extraordinary attention paid to many of their aged members. If they were sick, the surgeon attended them at the cost of some good genius; and if they were poor, the comforts of life were granted them. In one village the clergyman was empowered to supply the wants of three old, hale fishermen during the winter season, to the envy of his sick and ailing parishioners. In another, all the cottagers were rendered jealous by the incessant watchful attention paid to a nonogenarian by the magnate of the place. It was whispered by the less favoured that he had been given a home near the great house; that the cook had

orders to supply him with whatever was nice and nourishing; that the laird had been heard to say he took a great interest in his life, and that he even allowed the doctor twenty-five golden guineas a year, so long as he kept his ancient patient alive.

One man was chosen of above ninety who would walk eight miles any day for 6*d*. The hills and dales of the north of England, with the wild moors and heaths of Scotland, peopled by those who never breathed the air of cities, furnished nominees; and, lest there should be any lurking disease, they were examined by a medical man to confirm the appearance they bore. There were several curious anecdotes in connection with these shrewd speculations. There were two baronets offered, illustrative of an old story. Both were nonogenarians, both were sound, wind and limb; the one was remarkable for his extreme temperance, the other for drinking two bottles of wine daily, but both first-rate lives.

The offices were besieged with contracts on such men as these. Notwithstanding the heavy losses which Government had sustained by the previous tables, they lost much more by the present oversight, for against lives chosen with so much care and

nursed with so much attention, there was not a chance.

One legend is extant to show the trouble which the nominators would take, in order to procure a person on which they could safely invest their money.

An eccentric, simple old man, an amateur angler in the streams which adorn the dales of Cumberland and Westmoreland, gave rise to the following attempt to procure him:—This man, named John Wilson, had not been born in the dales, but had come at an early age to take his lot among the single-minded people who dwell there. He had bought a small farm, on the produce of which, tilled by his sons and grandsons, he lived. He was soon found out by the agents of the speculators; but for some reason, known only to himself, refused to be speculated on, and as the secret of his birthplace was confined to his own breast, no register of his age could be procured without his consent. At ninety he would have passed for seventy. He would wander for whole days with only his fishing-rod and basket among the lakes and rivers of his adopted home. For a week together he would be away from his dwelling, lodging, when the night came, wherever he could procure a bed. In vain was he tempted with pre-

sents of fishing-rods; in vain the choicest London-made fly was offered; he turned away with an air of indifference and defied the temptation.

There came to reside in the village, apparently on account of his health, a young gentleman who took John's fancy, for he was fond of fishing and had never asked the old man where he was born. To him he showed his choicest retreats for casting the fly, told him stories of wonderful throws he had made, and wonderful fish he had caught, and pleasant were the long summer days passed by these two in the deep recesses of the hills, following the course of rivers, and tracing streams to their rise. It never entered into the old man's thoughts, that one of those who were interested in knowing his birthplace was becoming a bosom friend. But so it was. The invalid had only sought the neighbourhood for that purpose, and when he had thoroughly gained his confidence, he turned the conversation very cautiously to the old man's early history. The latter showed no symptoms of anxiety, and the Londoner went yet further: still there was no alarm apparent. But the next question, which, if answered, would have settled the point, was too abruptly put. The ancient angler wheeled round, faced his companion sorrowfully, and merely saying—"Eh! man, the ways of the world,

the ways of the world!" shouldered his rod, and disappeared down a ravine close by, leaving his companion to find his way home as best he could, and far too much annoyed to remain any longer in the neighbourhood where he had been so unsuccessful.

When schemes like these were resorted to, and this is only one of many *, it is obvious that the expected gain must have been great. One house alone entered into contracts on the lives of men similar to those described, for thousands, and the first to open a contract was the Marquis of Hertford, whose attention was probably drawn to the speculation by Mr. Croker. Philip Courtenay, Queen's Counsel and Member for Bridgewater, was another. He availed himself of his tour on the Northern Circuit to seek out old and healthy lives. Just at this time the House of Lords refused so resolutely to pass the Reform Bill, that the monarch was expected to force them into compliance. The mind of the people was greatly

* One gentleman thinking that the Greenwich pensioners would afford good subjects, went to the hospital with that purpose. But they all gave their ages at 90 and above, and when the parish registers were searched for the dates of their birth, it was discovered that they had exaggerated, in some cases ten and in others twenty years. Every one claimed the distinction of being nonogenarian, and the consequence was that the stock-broker was completely baffled in his attempt.

excited; and, unable to account for Mr. Courtenay's avidity, a Yorkshire paper gravely asserted that Earl Grey, being determined to carry the Reform Bill, had employed the Member for Bridgewater to choose a sufficient number of aged persons to receive the honour of peerage, the prime minister being determined to swamp the Upper House with nonogenarians rather than fail in his purpose.

One firm alone, that of Benjamin and Mark Boyd of the Stock Exchange, took three-fourths of the entire contracts for their friends; and as the lives chosen by them were good, it is probable that their constituents averaged a profit of 100 per cent. The desire to speculate on nonogenarian lives soon became a mania. Barristers with a few thousands,—ladies with a small capital,—noblemen with cash at their bankers, availed themselves of the mistake. It is difficult to say to what extent it would have proceeded, had not Mr. Goulburn availed himself of a clause in the act, to cease granting annuities which might prove unfavourable to government.

CHAP. XIII.

FRAUD IN LIFE ASSURANCE COMPANIES — ITS EXTENT — ITS REMARKABLE AND ROMANTIC CHARACTER.—JANUS WEATHERCOCK. — HELEN ABERCROMBIE — HER DEATH. — FORGERY OF WAINWRIGHT—HIS ABSENCE FROM ENGLAND—HIS RETURN, CAPTURE, AND DEATH.—INDEPENDENT AND WEST MIDDLESEX — ITS RISE, PROGRESS, AND RUIN OF ALL CONCERNED.

In 1830, two ladies, both young and both attractive, were in the habit of visiting various offices, with proposals to insure the life of the younger and unmarried one. The visits of these persons became at last a somewhat pleasing feature in the monotony of business, and were often made a topic of conversation. No sooner was a policy effected with one company than a visit was paid to another, with the same purpose. From the Hope to the Provident, from the Alliance to the Pelican, and from the Eagle to the Imperial, did these strange visitors pass almost daily. Surprise was naturally excited at two of the gentler sex appearing so often alone in places of business resort, and it was a nine days' wonder.

Behind the curtain, and rarely appearing as an actor, was one who, to the literary reader versed in

the periodical productions of thirty years ago, will be familiar under the name of Janus Weathercock; while to the student of our criminal annals, a name will be recalled which is only to be remembered as an omen of evil. The former will be reminded of the "London Magazine," when Elia and Barry Cornwall were conspicuous in its pages, and where Hazlitt, with Allan Cunningham, added to its attractions. But with these names it will recall to them also the face and form of one with the craft and beauty of the serpent; of one too who, if he broke not into "the bloody house of life," has been singularly wronged. The writings of this man in the above periodical were very characteristic of his nature; and under the *nom de guerre* of Janus Weathercock, Thomas Griffith Wainwright wrote with a fluent pleasant egotistical coxcombry, which was then new to English literature, a series of papers on art and artists. An *habitué* of the opera and a fastidious critic of the *ballet*, a mover among the most fashionable crowds into which he could make his way, a lounger in the parks and the foremost among the visitors at our pictorial exhibitions, the fine person and superfine manners of Wainwright were ever prominent. The articles which he penned for the "London," were lovingly illustrative of self and

its enjoyments. He adorned his writings with descriptions of his appearance, and — an artist of no mean ability himself — sketched boldly and graphically "drawings of female beauty, in which the voluptuous trembled on the borders of the indelicate;" and while he idolised his own, he depreciated the productions of others. This self-styled fashionist appears to have created a sensation in the circle where he adventured. His good-natured, though "pretentious" manner; his handsome, though sinister countenance; even his braided surtout, his gay attire, and semi-military aspect, made him a favourite. "Kind, light-hearted Janus Weathercock," wrote Charles Lamb. No one knew anything of his previous life. He was said to have been in the army — it was whispered that he had spent more than one fortune; and an air of mystery, which he well knew how to assume, magnified him into a hero. About 1825, he ceased to contribute to the magazine; and from this period, the man whose writings were replete with an intense luxurious enjoyment — whose organisation was so exquisite, that his love of the beautiful became a passion, and whose mind was a significant union of the ideal with the voluptuous — was dogged in his footsteps by death. It was death to stand in his path — it was death to be his friend

— it was death to occupy the very house with him. Well might his associates join in that portion of our litany which prays to be delivered "from battle, from murder, and from *sudden death*," for sudden death was ever by his side.

In 1829, Wainwright went with his wife to visit his uncle, by whose bounty he had been educated, and from whom he had expectancies. His uncle died after a brief illness, and Wainwright inherited his property. Nor was he long in expending it. A further supply was needed; and Helen Frances Phœbe Abercrombie, with her sister Madeline, step-sisters to his wife, came to reside with Wainewright; it being soon after this that those extraordinary visits were made at the various life offices, to which allusion has been made.

On 28th March, 1830, Mrs. Wainwright, with her step-sister, made their first appearance at an insurance office, the Palladium; and by the 20th April a policy was opened on the life of Helen Frances Phœbe Abercrombie, a "buxom handsome girl of one-and-twenty," for 3000*l.*, for three years only. About the same time a further premium was paid for an insurance with another office, also for 3000*l.*, but for only two years. The Provident, the Pelican, the Hope, the Imperial, were soon similarly

favoured; and in six months from granting the first policy, 12,000*l.* more had been insured on the life of the same person, and still for only two years.* But 18,000*l.* was not enough for "kind light-hearted Janus Weathercock;" 2000*l.* more was proposed to the Eagle, 5000*l.* to the Globe, and 5000*l.* to the Alliance; all of whom, however, had learned wisdom. At the Globe Miss Abercrombie professed scarcely to know why she insured; telling a palpable and foolish falsehood, by saying that she had applied to no other office. At the Alliance, the secretary took her to a private room, asking such pertinent and close questions, that she grew irritated, and said she sup-

* It is difficult to avoid blaming the offices. These large and varied insurances were, probably, known to every company in existence. The reasons assigned should have been tested, and very little trouble would have shut the door of every office in London on Wainwright and his companions. For so much money to be risked on the life of a girl of twenty-one, described as "remarkably healthy, whose life was one of a thousand," and that too for only two years, merely because a nominal plea of insurable interest was given, was neglectful and almost culpable; although there is some extenuation in the fact that this lady assisted to deceive by uttering, or at least coinciding in a false statement to Mr. Ingall, at the Imperial, is certain. The slightest inquiry would have discovered that Wainwright was a beggar, that this young lady had no direct or indirect interest in any property whatever, and that the premiums must have been paid with some sinister purpose by a man steeped in difficulties and overwhelmed with debt, on the life of a healthy but most unhappy girl, entirely under his control.

posed her health, and not her reasons for insuring, was most important. Mr. Hamilton then gave her the outline of a case in which a young lady had met with a violent death for the sake of the insurance money. "There is no one," she said in reply, "likely to murder me for the sake of my money." No more insurances, however, being accepted, the visits which had so often relieved the tedium of official routine ceased to be paid. These applications being unsuccessful, there remained 18,000*l.* dependent on the life of Helen Abercrombie.

In the mean time Wainwright's affairs waxed desperate, and the man grew familiar with crime. Some stock had been vested in the names of trustees in the books of the Bank of England, the interest only of which was receivable by himself and his wife; and determined to possess part of the principal, he imitated the names of the trustees to a power of attorney. This was too successful not to be improved on, and five successive similar deeds, forged by Wainwright, proved his utter disregard to moral restraint. But this money was soon spent, till everything which he possessed, to the very furniture of his house, became pledged; and he took furnished apartments in Conduit Street for himself, his wife, and his sisters-in-law. Immediately after this, Miss Abercrombie, on

pretence or plea that she was going abroad, made her will in favour of her sister Madeline, appointing Wainwright sole executor, by which, in the event of her death, he would have the entire control of all she might leave.

She then procured a form of assignment from the Palladium, and made over the policy in that office to her brother-in-law. Whether she really meant to travel or not is uncertain; it is possible, however, that this might have been part of the plan, and that Wainwright hoped, with forged papers and documents, to prove her demise while she was still living, for it is difficult to comprehend why she should have voluntarily stated she was going abroad, unless she really meant to do so. In this there is a gleam of light on Wainwright's character, who, when he first insured the life of Miss Abercrombie, might have meant to treat the offices with a "fraudulent," and not a positive death. Whatever her *rôle* in this tragic drama, however, it was soon played. On the night which followed the assignment of her policy, she went with her brother and sister-in-law to the theatre. The evening proved wet; but they walked home together, and partook of lobsters or oysters and porter for supper. That night she was taken ill. In a day or two Dr. Locock attended her. He

attributed the indisposition to a mere stomach derangement, and gave some simple remedies, no serious apprehension being entertained by him.

On the 14th December, she had completed her will, and assigned her property. On the 21st she died. On that day she had partaken of a powder, which Dr. Locock did not remember prescribing; and when Mr. and Mrs. Wainwright — who had left her with the intention of taking a long walk — returned, they found that she was dead. The body was examined; but there was no reason to attribute the death to any other cause than pressure on the brain, which obviously produced it.

Mr. Wainwright was now in a position to demand 18,000*l.* from the various offices, but the claim was resisted; and being called on to prove an insurable interest, he left England. In 1835, he commenced an action against the Imperial. The reason for resisting payment was the alleged ground of deception; but the counsel went further; and so fearful were the allegations on which he rested his defence, that the jury were almost petrified, and the judge shrunk aghast from the implicated crime. The former separated unable to agree; while the latter said, a criminal, and not a civil court should have been the theatre of such a charge. In the following December,

the company gained a verdict; and as the forgery on the Bank of England had been discovered, Wainwright, afraid of apprehension, remained in France. Here his adventures are unknown. At Boulogne, he lived with an English officer; and while he resided there, his host's life was insured by him in the Pelican for 5000*l.* One premium only was paid, the officer dying in a few months after the insurance was effected. Wainwright then left Boulogne, passed through France under a feigned name, was apprehended by the French police; and that fearful poison known as strychnine being found in his possession, he was confined at Paris for six months.

After his release he ventured to London, intending to remain only forty-eight hours. In an hotel near Covent Garden he drew down the blind and fancied himself safe. But for one fatal moment he forgot his habitual craft. A noise in the streets startled him: incautiously he went to the window and drew back the blind. At the very moment "a person passing by" caught a glimpse of his countenance, and exclaimed, "That's Wainwright, the Bank forger." Immediate information was given to Forrester; he was soon apprehended, and his position became fearful enough.

The difficulty which then arose was, whether the

insurance offices should prosecute him for attempted fraud, whether the yet more terrible charge in connection with Helen Abercrombie should be opened, or whether advantage should be taken of his forgery on the Bank, to procure his expatriation for life. A consultation was held by those interested, the Home Secretary was apprised of the question, the opinions of the law officers of the crown were taken, and the result was that, under the circumstances, it would be advisable to try him for the forgery only. This plan was carried out, the capital punishment was foregone, and when found guilty he was condemned to transportation for life.

His vanity never forsook him. Even in Newgate he maintained his exquisite assumption, triumphing over his companions by virtue of his crime. "They think I am here for 10,000*l.*, and they respect me," he wrote to one of his friends, who would not desert him. He pointed the attention of another to the fact, that while the remaining convicts were compelled to sweep the yard, he was exempted from the degrading task. Even here his superfine dandyism stuck to him. Drawing down his dirty wristbands with an ineffable air of coxcombry, he exclaimed, "They are convicts like me, but no one dare offer me the broom."

But bad as this might be for such a man, he brought yet harsher treatment on his head. As, previously to Helen Abercrombie's death, she had made her will in favour of her sister, the claim of the latter was placed before the various offices in which the life had been insured. While this was pending, Wainwright, thinking that if he could save the directors from paying such large sums, they would gratefully interfere for the alleviation of his misery, wrote a letter giving them certain information, coupled with a request or condition that they should procure a mitigation of punishment. What this revelation was may be judged from the united facts, that it saved the offices from paying the policies, and that when they communicated it to the Secretary of State, an order was immediately sent to place him in irons, and to forward him instantly to the convict ship. If his position were bad before, it was worse now; and he whose luxury a rose leaf would have ruffled, and whose nerves were so delicately attuned that a harsh note would jar them, must have been fearfully situated. He had played his last card, and he had lost. When he wrote from Newgate he had claimed for himself "a soul whose nutriment was love, and its offspring art, music, divine song, and still holier philosophy." In

the convict ship he shrunk from the companionship of the men with whom he was associated, and his pride revolted from being placed in irons without distinction, like them. "They think me a desperado! Me! the companion of poets, philosophers, artists, and musicians, a desperado! You will smile at this —no, I think you will feel for the man, educated and reared as a gentleman, now the mate of vulgar ruffians and country bumpkins."

It is evident there was no change in him. He was just as much a selfish, coxcombical charlatan as when, fifteen years before, he wrote in one of his art papers of "exchanging our smart, tight-waisted, stiff-collared coat for an easy chintz gown with pink ribbons;" when he touched so lightly but luxuriantly on "our muse or maid-servant, a good-natured Venetian-shaped girl," and of "our complacent consideration of our rather elegant figure, as seen in a large glass placed opposite our chimney mirror." Others might be ashamed of self-idolatry; he gloried in it. Such was his description of himself; and who that has read it will ever forget that other description of him as exemplified by Gabriel Varney? "Pale, abject, cowering, all the bravery rent from his garb, all the gay insolence vanished from his brow, can that hollow-eyed, haggard wretch, be the

same man whose senses opened on every joy, whose nerves mocked at every peril?"*

The career of Wainwright is instructive. From the time that he quitted the simple rule of right, he wandered over the world under influences too fearful to detail, and he died in a hospital at Sydney under circumstances too painful to be recapitulated.

From 1825 to 1835, there was a huge outcry against all the new offices, principally, however, raised by the old companies, who seemed to claim a patent right of preservation. They forgot that competition is the very soul of business, and mourned greatly as every new office made its appearance, although by 1835 only fourteen more were established. The following fraud was held in the light of a providence, and has long been quoted by them, though few are aware of the many remarkable circumstances in connection with the infamous "Independent and West Middlesex:"—

An old man, between sixty and seventy, ignorant, uneducated, and in want; who had been at one time a smuggler, and at another a journeyman shoemaker, thought, in the year 1836, that the best mode of supplying his necessities would be to open an office

* "Lucretia."—By Sir E. B. Lytton.

for the receipt of moneys in exchange for the sale of annuities. The plan was notable, but required assistance, and a coadjutor worthy his friendship was soon found in one William Hole, a tallow-chandler, a smuggler, a footman, and a bankrupt. These friends at once confederated together, and found no great difficulty in their way. The chief capital demanded by such an undertaking on the part of the proprietor, was unbounded impudence; and on that of the public, unbounded credulity. Having joined their purses to produce a prospectus, and having taken an office in what Theodore Hooke called "the respectable neighbourhood" of Baker Street, Portman Square, their next plan was to concoct a directory of gentlemen who, while they attracted public attention and seemed a pledge for the respectability of the company, should yet mislead those who were not familiar with the financial world. This was an easy task, and in due time the most honourable names in London were openly published as managers of the "INDEPENDENT AND WEST MIDDLESEX FIRE AND LIFE INSURANCE COMPANY." Trusting to the faith of people in great mercantile firms, there was scarcely a banker, a brewer, or a merchant whose patronymic, with different initials, was not used by these ex-smugglers to forward their views. Drummonds, Perkins,

Smith, Price, and Lloyd were all produced as fancy directors, to adorn one of the most impudent prospectuses which was ever composed. They then turned their attention to the working men of the establishment, and Mr. Hole having a brother-in-law named Taylor*, sufficiently respectable to be a journeyman bell-hanger, sought him out, saying "he was going to make a gentleman of him," undertaking to pay him 100 guineas yearly, provided he attended the board when it was required, and did not "get drunk or behave disorderly." Finding some difficulty in procuring a sufficient number, and being applied to by a William Wilson for a menial situation, they at once advanced him to the post of director, paying the liberal sum of five shillings weekly. A boy of sixteen, who went on errands, who signed annuity deeds for thousands, or who swept the floors, was also appointed to a similar post; while the gentleman who undertook the onerous position of auditor, was also porter in general to this respectable establishment. On board days they were told to dress in their "Sunday's best," to place brooches in their dirty shirts, and rings on their clumsy fingers; the huge fine of half-a-crown being

* This man appears to have been an innocent tool in the hands of his acute brother-in-law.

inflicted, should they appear in the native simplicity of their work-a-day attire; and it is no unremarkable feature of this establishment, that Taylor duly, on board days, left his master the bell-hanger to go to his master the director, to sign the deeds which duped the public. Their next requirement was a banker; and none other was good enough save the Bank of England, which was added to the list of attractions of this commercial bill of the play.

Everything thus prepared, they turned their attention to statistics; and here again there was no great obstacle. In order to procure business, it was necessary to offer tempting terms, so they liberally proposed to serve the public 30 per cent. lower than any other office, although with all the existing competition the greatest difference hitherto had been but from 1 to 1½ per cent.; and in addition to this, these bad men committed the glaring impudence of granting life assurances for much smaller premiums, and selling annuities on much lower terms than any one else; terms so palpably wrong that a man of 30 by paying 1000*l.* could obtain a life annuity of 80*l.*, and by paying 17*l.* 10*s.* of this to insure his life, could receive 6¼ per cent. for his money and secure his capital to his successors.*

* This was first pointed out by the Quarterly Review.

Having thus arranged preliminaries, they opened their office and commenced business. They had the precaution to select respectable agents, and by giving 25 per cent. where other companies only gave 5 per cent., stimulated them to say all they could in their favour. The terms were very attractive; there is always a large ignorant class ready and willing to be duped; and the business went on swimmingly. If a man wanted to insure his life, there was no great difficulty about his health. If another wished to purchase an annuity, they were quite willing to dispense with baptismal certificates in London, Dublin, Edinburgh, and Glasgow; large and handsome offices were opened, and the public induced to play its part in this most serious drama of real life. The poor and less intelligent portion of the community, lured by terms which had never before tempted them, took their spare cash and invested it in the West Middlesex. Rich men were not less dazzled by the golden promises; and one, disposed to sink a large sum in so profitable a concern, desired his solicitor to inquire about its solidity. The solicitor went to the manager, and questioned him as to the directors and the capital. Knowles at once said the directors were not the men whose names they

took, nor was the capital so much as a million. But the former, he vowed, were respectable men, and the latter was quite enough for their purpose. As, however, he declined to give the residences of the directors, or to say where the capital was invested, the solicitor also declined to risk the money of his client. The success, however, which they experienced in other cases, justified their daring. One person who had toiled, and worked, and grown prematurely old in the service of Mammon, invested his all in the purchase of an annuity, and in order to secure the capital, insured his life. In two years he was a beggar. A family which with great industry, and by doing without a servant for forty years, had saved enough to retire from business, placed the principal portion with the West Middlesex, in time to be informed that the directors had absconded. A governess who had been left a small property, and bought a deferred annuity with the proceeds, died of a low fever soon after the bubble burst. Half-pay captains, clergymen, servants, tradesmen, all came with their spare cash to get $6\frac{1}{4}$ per cent. and secure their capital.

From remote districts where their prospectuses had been circulated, money came pouring in. Any one who chooses to refer to the current literature of

that time, will perceive that these fellows availed themselves of every vehicle to make their claims public. The daily and weekly papers, the monthly and quarterly journals, all bear testimony to their zeal in the shape of shameless advertisements, and the walls of provincial towns absolutely blazed with their attractive terms.

The money thus obtained was liberally spent. The promoters kept carriage-horses and saddle-horses; servants in gorgeous liveries waited on them; they fared, like Dives, sumptuously every day. One of the directors lived in the house in Baker Street, and being of a convivial character, astonished that quiet street with gay parties, lighted rooms, musical *soirées*, and expensive dinners. His wine was rare and *recherché*, his cook was sufficiently good for his guests, and he found himself surrounded by the first people of this lively locality. But there were very dark rumours afloat, which should have made men hesitate before they gave this fellow their countenance. By 1839, there was a general feeling that there was something wrong; Mr. Barber Beaumont wrote a letter to the "Times" about it; and had it not been for the wonderful boldness of the adventurers, they must have broken

up long before. It was known that they had thrown a difficulty in the way of paying some annuities in the country; and that, without any justice, they had refused to discharge a fire insurance which had become due. Still what is every one's business is nobody's business, and they had hedged themselves with such a conventional respectability, they looked so grave, they talked so properly, and they gave such good dinners, that it was long before they were compelled to yield. So great was their *prestige*, that though one of their victims came fierce and furious, and bearded them in their own house, and before the very faces of their friends — though he told the party assembled that he was swindled, and their hosts were the swindlers,—it produced no effect, and he was absolutely obliged to leave the place for fear of personal violence. In addition to the dinners which they gave their friends, they had small pleasant parties of their own, with toasts sardonically applicable to themselves, the first standing sentiment being in mocking, reckless contempt,—

"An honest man's the noblest work of God!"

The unpleasant rumours continuing to spread very rapidly, it became desirable to procure a director with something like respectability attached to his

name; so Mr. Knowles wrote to Sir John Rae Reid, Governor of the Bank of England, stating, that as he was a native of Dover he could assist Sir John with his constituents, provided that gentleman would give his name as director to the falling establishment. The only reply was a contemptuous refusal, and an unceremonious request that Mr. Knowles would withdraw the accounts of the West Middlesex from the custody of the Bank.

In the mean time the established institutions looked on in wonder, asking themselves when this bold violation of probity would cease. It was certain that, so long as the new office could procure money from the public, they would continue to do so. There was no law, indeed, which could touch them; and when some of their victims hesitated at continuing their payments, the following specious letter was written by the agent whom the gang at Baker Street had found means to blind:—

"I have been to London purposely to examine the affairs of this society, and I can assure you the reports issued against them are wholly without foundation; the principal part of them are gentlemen living on their own property. The following is the result of my investigation, which must surely satisfy the mind of any person as to their respectabi-

lity: — 63,000*l.* in the Bank of England to meet emergencies; 160,000*l.* on mortgage property in London, at 7 per cent. and 8 per cent.; 40,000*l.* on reversionary property; 120,000*l.* on different funded securities; 3000*l.* in the Bank of Scotland; 30,000*l.* on mortgage security in that country; 3000*l.* in the Bank of Ireland; 10,000*l.* on landed security in that country; and their paid-up capital is 375,000*l.*"

But even this brilliant array of securities failed at last in its effect, and it was left to the shrewdness and daring of a Scottish gentleman to encounter single-handed, this most unprincipled combination. Among those who had entered into transactions with the Glasgow branch was Mr. Peter Mackenzie, editor of the "Scottish Reformers' Gazette," whose attention became naturally drawn to a question which involved the happiness or misery of a great number of his countrymen; and as the opinion of Sir John Reid had been very mendaciously quoted in favour of the West Middlesex, Mr. Mackenzie addressed him to ascertain the truth of this assertion; in reply to which the Governor of the Bank stated, "I know nothing of the parties in question, and I consider it highly improper that any reference should be made to me on the subject." This was decided enough; and as Mr. Mackenzie was doubtful whether

the Independent and West Middlesex had not grown out of a similar company under another name, which had advertised the duke of Wellington as a patron, he wrote to his grace, receiving the straightforward reply, "that the duke did not doubt a gang of swindlers had advertised his name as patron, that the same or another gang had played a similar trick in Southwark, and that Mr. Mackenzie was authorised to state to the public that the duke had not sanctioned the publication of his name in that or any other similar association."

Although the company had so long a list of directors, Mr. Mackenzie observed that the policies were always signed by the same three individuals, that no designations or addresses were annexed to the names, and that there was an accumulation of functions in the respective office-bearers, quite unusual. He then determined, believing that the company was radically wrong, to discharge his duties at all risks. And most manfully did he perform that determination. In March, 1839, under the head of "EXPOSURE,"* he inserted an article in his "Re-

* The following form extracts from the above articles of Mr. Mackenzie:—"Some time ago there was sent to this office a series of advertisements in favour of the Independent and West Middlesex Insurance Company, which were entered and paid for in the regular course of business. We are

formers' Gazette;" and it is hardly possible to exaggerate the sensation which the exposure produced in Glasgow. Men of all parties congratulated him on his fearless attack; the people who were assured in the West Middlesex ran wildly to the office, where they

cautious about quack medical advertisements, none of them that we are aware has ever been admitted into our columns; but it never entered into our heads for one moment, that an insurance company professing to be incorporated by special acts of parliament, was in truth a quack company, got up for the premeditated purpose of imposing on the public in matters of fire and life. Hence the advertisements of this company glided through our columns from time to time to time. . . . But we were astonished lately to learn that this was a spurious insurance company hatched in London two years ago." "Under these circumstances, our duty, we humbly conceive, is at once plain and decisive, and therefore we proceed to discharge it for the sake of the public, whose faithful and unflinching servants we at all times profess to be. In a word, we raise our voice and warn the public against this Independent West Middlesex Insurance Company. It is a false and fictitious company." "In their polices of insurance they take care to provide that 'the capital stock and funds of the said company shall alone be answerable to the demands thereupon under this policy.' Why, what is the value of their capital stock and funds, if as we say the parties themselves forming the said company are utterly worthless, being in fact no better than a parcel of tricksters in London, disowned, or repudiated, or condemned by every respectable person to whom reference is made? There can scarcely, we think, be anything so base or so nefarious as taking premiums from unsuspecting people, and making them believe they are secured against the contingencies of life, or the risk of fire, and yet mocking them in their calamities when the bubble bursts."

were told, "that the reasonableness and moderation with which they had done business had been the cause of great jealousy and offence, and had brought down on them a variety of assertions of the most false, calumnious, and slanderous character."

They threatened Mr. Mackenzie with the terror of the law; but on the 9th March that gentleman again attacked them, asking, "Will the mere statement of a parcel of swindlers in their own favour secure for them public confidence, when it has been directly and specially assailed?"

The more they were attacked, however, the more they advertised. All the London and provincial papers were employed to spread their terms, and 2000*l.* were placed in the hands of their law agent to ruin, if possible, Mr. Peter Mackenzie. Undauntedly, however, did he continue week after week to attack them; and it is impossible not to admire the mingled gallantry and audacity with which they defended outpost and citadel. Though they lost one action they had brought against Mr. Mackenzie, they commenced another, declaring that their terms were fair and liberal, that the public could insure with them at favourable rates to themselves and reasonable profit to the company, "and, above all, that Mr. Mackenzie was false, calumnious, and slanderous."

The position in which they were placed was curious enough. It was plain that a most disgraceful fraud was in existence; but while no act of insolvency was committed, the law could not interfere. There was, indeed, no way of stopping them; and it was evident that they would only cease business when the public ceased to pay its money. While they discharged the annuities as they became due, and paid the life or fire policies which fell in, they were utterly uncontrollable, save by the moral power of the press. This power, so far as Mr. Mackenzie was concerned, was most unsparingly used; but he availed himself of another weapon. The name of Peter Mackenzie is rarely mentioned in England in connection with this company, that of Sir Peter Laurie and the West Middlesex being always associated; and this is owing to the fact that, not content with the powerful articles in his paper, he sent a letter, with the report of the trial, to Sir Peter, to inform him that "the company called the West Middlesex was a company of swindlers," begging him to use his influence as chief magistrate of the city of London, to stop this crying iniquity. Sir Peter went to the Bank of England, and inquired if they knew anything of the company. "Yes," was the reply, "they are the greatest swindlers that ever

existed in London." "On this hint he spake;" and from his seat at the Mansion House the "first Scotch Lord Mayor" let all England know that the Independent and West Middlesex Insurance Company was a sham, and that Sir Peter was going to put it down. The declarations he openly made, and the information he procured, produced an enormous number of letters from the victims. The company became a theme of public conversation — the assurance offices rejoiced at the discovery of their rival's infamy — and those who were insured were rudely startled from their dream of security.

In the mean time, Mr. Mackenzie pressed them closely in Glasgow. He defied them and the damages they sought to obtain. There was no word too bad to give them — no assertion which had its foundation in truth, which he was not bold enough to publish. Actions involving damages to the extent of 20,000*l.* were brought against him in vain — he was indomitable in determination and invincible in spirit. Week after week he poured forth the vials of his wrath; and it is scarcely possible to say how much longer he must have continued his attacks, had not intestine strife assisted his endeavours. The worthy Mr. Knowles and the excellent Mr. Hole quarrelled,

and the latter wrote the following elegant epistle to his coadjutor: —

"KNOWLES, —

"Thou art a scoundrel, and thy son no better. I shall print and publish all the by-laws and proceedings which relate to any transactions which I had with the company, and expose your villainy to Mackenzie and others; and I give you and your lying rascal of a —— notice, that if you or he should dare to publish any slander relative to my character, I shall instruct my solicitor to prosecute you, you d—d perjured scoundrel! — you base wretch! Swear against your own hand-writing! What! swear you never borrowed any money of me for the office! O wicked wretch! I have your signature, and my solicitor has seen it. Base! base! base! Hang thyself, with thy friend Williams.

"Truth,

"WILLIAM HOLE."

Another letter of this gentleman concluded in the following manner: — "Whoever said I had more than this is a liar; and like unto Peter, who denied his Master, and afterwards went and wept; or, like unto Judas, who betrayed his Master, and went

afterwards and hanged himself. All that I have said or written I can prove."

By this time it became pretty clear that the career of the Independent and West Middlesex was run; the valuables were removed from Baker Street; two waggons were necessary to remove the wine only; and the bubble burst. The loss sustained by the public is difficult to estimate. The confederates boasted of taking 40,000*l.* in one year; and it is probable that from 200,000*l.* to 250,000*l.* is no exaggeration. But whatever the pecuniary loss, the moral effect was much worse. It would be impossible to enumerate the examples of sorrow and suffering which ensued; yet it is equally painful to think that the cause of insurance was considerably injured. Some degree of blame rests with the other offices. They knew — they could even have demonstrated — that an institution charging such low premiums on assurances, and allowing such large sums as annuities, must fail; that it was a mathematical impossibility that it would answer; and when they found, in addition, that Hole offered their agents half the year's premiums as commission, it was a "confirmation strong as proof of Holy Writ." Had they applied, like Mr. Mackenzie, to the Lord Mayor, it would have been stopped in its outset, and many excellent

people saved from ruin. Had he not opened the eyes of the public, there is no saying to what extent they might have carried their transactions; for though Sir Peter Laurie indisputably aided him, it is equally true that Mr. Mackenzie lost 1300*l.* by his exposure of the "Independent and West Middlesex Life and Fire Insurance Company."

The death of Mr. Beaumont, in 1841, recalls the name of one who, for nearly half a century, was a very noticeable man. But though for the last thirty years of his life he controlled the movements of a large fire and life assurance office, he was not rendered narrow-minded by his devotion to business; nor will a brief review of his career be unacceptable to those who remember his name as one of the earliest apostles of life assurance.

John Thomas Barber Beaumont, more familiarly known as Barber Beaumont, was born in 1773. As a youth he was devoted to historic painting, the talent which he evinced being recognised both by the Royal Academy and by the Society of Arts, from each of which he won the medals awarded to excellence in their several departments. He soon, however, abandoned historical for miniature painting, where again his ability was acknowledged by his appointment to the post of portrait painter to the

dukes of York and Kent. His connection with royalty probably stimulated him to raise a rifle corps in defence of England, when the first Bonaparte threatened invasion. Like all which he undertook, he gave his heart and soul to it. He published a couple of pamphlets, the first "by Captain Barber," and the second anonymously. He recommended that the people should be armed as sharpshooters and pikemen, and pointed out the special advantage of the invaded over the invaders; and so devoted was he to the cause, that he established a paper — the "Weekly Register" — to stimulate the exertions of others by recording his own. The corps of which he was captain became an evidence of his personal zeal. In a trial of skill between the various regiments he won the first prize; and so satisfied was he of the efficiency of his men that, on one occasion, in Hyde Park, he held the target while the entire corps, one after the other, discharged their rifles into the bull's eye at the distance of 150 yards. In his hatred of the French emperor, in his love of boxing, and his belief in Queen Caroline, he was a "distinguished Englishman." These were three articles of faith of that day, and he believed in all.

In 1806, Mr. Beaumont found his true vocation; and the active spirit which had distinguished itself

in painting and in defending his country, in abusing Bonaparte and lauding our "injured Queen," turned its attention to the poor. In conjunction with the County Fire and Provident Life Offices, he attempted to establish an association for the working man. Though this did not succeed, it was not for want of devotion. In every part of the country, agents explained its benefits. Many thousand pamphlets were distributed, but the artisan and labourer could not be induced to join it.

The mind of this class was less cultivated and less cared for then than now, and wherever they got high wages, they spent them recklessly. They regarded the workhouse as their natural refuge, and claimed its privileges as their inalienable birthright. We owe the presentation of many facts concerning them to Mr. Beaumont, who after ten years' trial, finding that his association failed in its purpose, interested the inhabitants of Covent Garden and the neighbourhood, in the establishment of a savings bank. To compass this he presided at various public meetings, where he spoke with much energy, addressing the poorer class in an easy familiar tone, and speaking to them as only one who understood their wants could have spoken. He necessarily won their confidence by his zeal, and all which he wrote on the

subject evinces a spirit of benevolence, being evidently the production of an acute and energetic mind. He was the first to point out the various objections to benefit societies, and his exertions in the cause of savings banks, though now almost forgotten, were productive of good; nor is it too much to add, that habits of industry and frugality were excited, or that the happiness of the working class was increased by his exertions. That which has hitherto been related of Mr. Beaumont was but the result of his leisure hours; for he was the originator of an office, to the service of which he gave the principal part of his time, and in which he found his reward. There was, indeed, something very significant in his resolute, earnest spirit, and there must, too, have been something very honest in the man; for in the outset of his own pet office, when the members were excited by success, he told them that the early accounts were not to be relied on, that they were flattering from the nature of the business, and that they showed more success at the beginning than the future would confirm. He was an open foe to all fraudulent offices, and did all he could to stay the progress of the concocters of the West Middlesex. He called attention to their proceedings in the "Times;" he proved that the enormous commission

they offered, argued a foregone conclusion of swindling; he attacked them in a Scotch paper, and drew their wrath upon him, in the shape of an action for damages, which cost him 100*l.*, and for which an additional claim of 600*l.* was made on his executor.

Unlike many business men, he had both taste and talent for literature. He wrote a tour in South Wales, and he has given us a very instructive work on Buenos Ayres, in the colonisation of which he was interested. The pamphlets he published are principally on social subjects, and time has confirmed the opinions he expressed. The people and their requirements seemed his special care, and he appears to have borne in mind the Divine commission "the poor always ye have with you." Besides a close attention to their physical wants, he originated a literary institution; for he had received too much solace from art, science, and literature himself, not to spread its moral and mental advantages among those in whose cause he laboured. Nothing could exceed the ardour he evinced, or the fatigue he underwent, in carrying out his plan. "He was on the spot at all times, and in all weathers. His attention was indefatigable and his vigilance excessive. He paid little regard to meat, or drink, or sleep; and the consciousness that he was about to effect a great and lasting good in-

spired him with augmented energy in the midst of waning health and a decaying frame."

At length the sword wore out the scabbard. For thirty years he had been subject to an incurable asthmatic malady, and for the last ten years of his life he had never been free from daily and nightly paroxysms of pain. A long time prior to his death he, in a somewhat eccentric spirit, ordered a coffin of beautiful oak to be made, and to undergo the process which would save it from dry rot; this was kept at the undertaker's, where he often philosophically went to contemplate the future depository of his remains. Not satisfied with the good he had effected in his life, he left at his death 13,000*l.* to maintain the institution which he had founded. He was buried in his own cemetery; and there are many wealthy men who may take a lesson from Barber Beaumont in the employment of their riches, and many poor men who may copy his unceasing industry, prudence, and perseverance.

Some allusion to the baneful career of the cholera, fortunately more rare in its visits than the old plague, will not be out of place in a volume, the basis of which is the mortality of the people. Although from 1832, when it made its second appearance in England*,

* The cholera first visited England about the beginning of

various rumours had been spread of its approach, it was not until 1849 that it came again to this country

August 1348. From the seaport towns on the coasts of Dorsetshire, Devonshire, and Somersetshire, it ran to Bristol, and the men of Gloucester established a quarantine between the two places. But this "familiar fury" mocked then as now at the quarantine, and walking in darkness appeared in Gloucestershire to the horror of its inhabitants. From thence it passed by way of Oxford to London, finally spreading all over England, "scattering everywhere such ruin and desolation that of all sorts hardly the tenth person was left alive."

In the church and churchyard of Yarmouth, 7052 were buried in one year. Within six months, in the city of Norwich more than 57,000 died. In London, death was so outrageously cruel that every day saw twenty, sometimes forty, and sometimes sixty or more dead bodies flung into one pit. The churchyards became crowded. Fields and additional places of burial were set apart, and these soon failed to suffice; the number of the dead increasing so rapidly that "they were fain to make deep ditches and pits very broad, wherein they laid a range of carcasses and a range of earth upon them, and then another range of dead bodies," and in this manner the people, except those of the better sort, were placed in their long home. The cattle died in hedges and ditches by thousands for want of men to attend them. All suits and pleadings in the King's Bench and other places ceased. The sessions of parliament were stopped. England and France forgot for a time that they were "natural enemies." County, city, and town witnessed solemn prayers and public processions for days together, and God was implored in highway and in byway to "sheath his angry sword and preserve the residue from the devouring pestilence." When this pestilence which yet yearly threatens our coast had passed away, it was found that its prey had been chiefly old men, women, and children of the "common sort of people," and that but few of the nobility of the land had been

in all its terrible reality. The appalling disease of that year will not be readily forgotten; for it spared neither the rich in his mansion, nor the poor in his hovel. It smote the physician who attempted its cure, and it struck down the priest who supplicated its departure. It was not, however, indiscriminate in its attacks; for wherever a squalid population hedged in the lofty terrace or the aristocratic square, it spread from the meagre workman to his healthy fellow-citizen. The business of most life-assurance offices increased with rapidity. Some of them were besieged with applicants. Men saw their neighbours' houses closed, and feared that a similar symbol might soon mark their own. They ran, therefore, while there was yet time, to do that which they should have done before; and so great was the influx, that it is doubtful had this new form of plague lasted in all its intensity, whether some of the companies would not have shared the panic and shut their doors. It was scarcely possible to see house after house bearing the signs of mourning, without an indefinite future pressing its claims; and when it was found that, in several cases, insurance was followed by rapid death, they who

seized by it. Property was for a long period depreciated: that which was previously sold for forty shillings, only fetched a mark; and the Scots in scorn invented a new oath, swearing in contempt "by the foul deaths of the English."

knew little or nothing of the doctrine of chances, suggested that for a period the offices should be closed; and as life after life was insured and fell, and as day by day the gloom of the City increased, it was even agitated by those who should have been better informed. But the companies maintained their calling; though then, if ever, they should have mooted, whether those who insured their lives, and went to reside among ill-constructed sewers, foul gully holes, and teeming cesspools, should not have paid a higher premium than those who went to ventilated houses, breezy suburbs, and well built districts. This point seems completely lost sight of. Every inquiry is made concerning gout, asthma, and consumption; but no question is put concerning the health of a locality. A man determined to commit suicide, and not void his policy, may as surely effect his purpose as if he visibly destroyed himself; for wherever scarlet or typhus fever rages, there may he reside without question. "Whoever has insured his life," remarks Mr. Dickens, "may live over a cesspool. He who has taken out a policy, is not called to give notice of his intention, though he may purpose removing to some quarter of the town, in which his house may be ill-ventilated, his neighbourhood confined, his drainage in a state of horrible neglect.

There was a case in point, that attracted public notice some little time ago. A gentlemen, aged thirty-one, in excellent health, assured his life for a 1000*l.* Having paid only three annual premiums, he removed to a sickly spot in the Bethnal Green Road, and died of typhus fever after a few days' illness."

These ideas are gaining ground. Mr. Austin first started them, and Mr. Dickens has reproduced them. They arose during the fatal sickness just alluded to, and are certainly not unworthy the consideration of all who are interested on the subject.

A new plan, now known as the half-credit system, was first introduced in 1834, by the United Kingdom Life Assurance Company; and although strongly opposed at its commencement, has since been very generally adopted. By this system a person aged 30, whose annual premium for insuring 1000*l.* would be 21*l.* 18*s.* 4*d.*, may insure 2000*l.* by paying the same premium annually for five years, after which 43*l.* 16*s.* 8*d.* would be required. This would leave 109*l.* 11*s.* 8*d.*, including interest, to be paid off at his convenience, or to be deducted at his death; but should he die within the first five years, his family would receive 2000*l.* instead of the 1000*l.* they would have received under the old system.

CHAP. XIV.

SELECT COMMITTEE OF 1841. — INSTANCES OF DECEPTION. — PUBLICATION OF ACCOUNTS.—NEW COMPANIES — ASSERTIONS ABOUT THEM—THEIR IMPORTANCE—SUGGESTIONS CONCERNING THEM.

A SELECT committee was appointed in 1841 to consider the laws relating to joint stock companies. It concluded its labours in 1843. There was an evident want of amendment in these laws. For about fifteen years prior to 1840, the world had been at the mercy of any one who chose to publish an advertisement, call himself a company, and receive money for assurances and annuities. Vast sums had been obtained, therefore, by daring adventurers of the Montagu Tigg school, who launched with avidity into this branch of business. Besides the loss by the West Middlesex, nearly half a million sterling had passed from the pockets of the public to those of projectors; and the following instances will prove that government were not called upon to interfere without a sad necessity: —

A family of swindlers founded an office. One of them changed his name, called himself trustee, and

acted as chief manager. Who would believe that this man, without character and without money, induced several members of parliament to become directors? because "they thought they were doing a kindness to the promoter;" allowing their names to be used as lures to a concern whose shareholders, when it broke up, were found to be "minors, married women, labourers, and small tradesmen."

In a second office, an uncertificated bankrupt, its promoter, appointed himself resident manager. Insurances and annuities to a considerable extent were effected, and then the company, consisting of eleven shareholders and directors united, vanished, and, "like the baseless fabric of a vision, left not a wreck behind."

In another which had been established many years, great names were at its head, and great business was done. But whether the terms were not high enough, or the management was bad, it proved a failure. An extraordinary career was that of the chief manager. Thinking, probably, to recover himself, he had speculated in newspapers; he had established a society in connection with natural history; he called the queen dowager his patron, and had been honoured by a visit from majesty. As some of these could scarcely be called sound investments

for an annuity society, he was unfortunately compelled to leave off paying the unhappy annuitants.

These special cases arose from want of sufficient control. On inquiry it was discovered that the names of persons who had no existence had been used in some cases, and the names of persons of substance, without their permission, in others. That false statements of authority — that fraudulent prospectuses — that tempting rates of commission — banking accounts with the Bank of England — and, above all, advertisements appealing to the cupidity of the public, — had always proved successful.

Owing to the information elicited by the committee, it was deemed necessary to recommend that any future company should be provisionally registered, stating every particular of its purpose, its promoters, its directors, its subscribers; and that a complete registration should be accompanied by a copy of its prospectus, its deed of settlement, its amount of capital, its number of shares, the names and residences of the shareholders, the officers of the company, and a written acceptance of office. These recommendations were carried out by 7 & 8 Vict. c. 110.; but time has proved that the act has scarcely been successful, even in mitigating the evils it was meant to prevent. "Arguing from the ex-

perience of the present law," says the "Morning Chronicle," "during the past eight years, it does not appear that its effect has been in any way to restrain the formation of unsound insurance companies;" and in one respect it assisted them, as it gave the promoters the power of quoting a special act of parliament in their favour, thus adding a spurious stability to their character. In seven years from the working of the new act the number of projected companies averaged three and a half per month; the number actually opened, two every month, while about fourteen yearly were compelled to close their operations. It may be supposed that the old offices were somewhat surprised as project after project, each proclaiming its principle to be the very essence of life assurance, was registered. They made, however, a great show of business. Their annual reports were startling to the ears of staid, methodical gentlemen of the old school, who, seeing that their own policies had not increased with the population, thought, when new companies declared huge profits and boasted augmented policies, that the world was coming to an end. The assumptions of some of these new offices were audacious enough; one actuary asserting that a company might spend all their premiums and great part of their capital, and be per-

fectly solvent. The first year's business of a society which started at this period produced 3300*l.*; a large sum undoubtedly, but the first year's expenses were 3000*l.* out of it. The business of the second year produced 2000*l.*; but all the money paid by the policy holders was spent, with 15 per cent. of the capital in addition. Rumours like these—exaggerated perhaps by the terrors of those of the *ancien régime*—soon spread about, and there was a growing disposition in the public to regard new offices with suspicion. Of about forty which had been annually projected from 1844 to 1851, many had given up the ghost; and though the policies in some cases were transferred to other offices, yet in those which were not so fortunate there must have been great evil. For some years a cloud had been gathering; but when Mr. Labouchere moved that the accounts of the various offices should be printed, and when, in their naked attire and without the opportunity of re-arranging them, they were presented to the House, they seemed so at variance with the boasted success of many, that the public, aided by the old offices, grew frightened at the picture which Mr. Labouchere had conjured.

This, however, produced no very apparent results in checking the formation of others; but the letter

of Mr. Christie* to the President of the Board of Trade, together with various leading articles in the morning papers, in which the Chronicle took the lead, aroused a spirit of mischief in those who thought themselves aggrieved. "The object I have in view," says Mr. Christie, "is a thorough scrutiny and investigation into the affairs and responsibility of every life and annuity institution in the United Kingdom, with a view to such enactments as shall protect extensive public interests from the alarming prospective evils of fraud and of ignorance."

There does not appear in this profession sufficient reason for the torrent of pamphlets which appeared, because all offices engaged in similar business to that of Mr. Christie should possess a similar desire. Such, however, was the fact, and when the morning papers unmasked their battery, the fun grew "fast and furious." Nothing can be more desirable than that the balance-sheets of these companies should be clear and uniform; and it seems reasonable that all offices should so express their returns. But it should not be forgotten that these accounts were furnished without any idea of publication. Each

* Letter to the Right Hon. Joseph W. Henley, M.P.—By Robert Christie.

institution sent its statement according to the notion of its actuary; and as actuaries, like doctors, disagree, not only was there no attempt to make one balance-sheet resemble another, but the very principle differed on which they founded their valuations. It was, therefore, not the fault of the actuary, but of the act itself, in not demanding uniformity, that they appeared in so many and such varied forms — that they at once produced suspicion, and that they have made the word "insolvent" commonly used with regard to these new institutions. But insolvency is a very awkward term, particularly when applied to a life assurance office. There is scarcely a banker in existence to whom the same term might not be applied on almost the same principle, for there is not one ready to pay all his balances on instant demand. But the banker knows his contingencies as life assurance offices know theirs; and to that extent only are both prepared to pay. Both are liable to runs on them; the latter during an epoch in the public health, the former during an era in the money market. Being, therefore, a question of contingency with the new mutual office, we must remember, in fairness, that it was the same with the old; and that, had they been compelled to publish their balance-

sheets when they commenced, very unpleasant remarks might have been made as to contingencies.*

While this subject was being agitated, some awkward cases arose to startle the mercantile world and depress the feeling of security so necessary to the perfect fruition of assurance. Several companies — founded by authority of the Joint-stock Registration Act — had arisen and fallen to the ground. One deed of settlement after another had been proved to be as worthless in effect as that of the West Middlesex. One series of promoters after another had published elaborate prospectuses, and failed to meet their liabilities. The directors of these had been from that class which supplied Quirk, Gammon, and Snap with their business, and the managers had arisen among those whose names had graced the bankrupt list, or been arraigned at the Old Bailey. The following will prove that the law, since 1845, any more than prior to it, has not been effective, and that it is as easy to establish fraudulent companies now as it was before the passing of the act. One

* The Equitable even was regarded with a very suspicious eye by the Court of Chancery soon after its commencement, and the names of bankers and merchants as directors, great in their day and generation, did not prevent the proprietors of the Royal Exchange, the Amicable, and the London Assurance corporations from predicting its failure.

director had been keeper of a gaming-house. Another, calling himself a knight, acted as travelling commission agent. A list of shareholders, which was published for the benefit of the public, proved that, though one was a holder of no less than 20,000 shares, the locality assigned to him was ignorant of his whereabouts. Two others had been bankrupt, another had been insolvent, others were clerks to the company, one declared his name had been forged, while another had been dead for many years. The institution had been enormously puffed, and the result was that many insurances were effected. But when it became known* that a proprietor of 2000 shares in the company was also a petitioner in the Insolvent Debtors' Court, and that at the very time he was advertised as a proprietor of these shares he had hardly a coat to his back, the premiums became less. In this awkward position the claims for losses were met by credit notes at fifty-three days' date, which of course were duly dishonoured, and, as a natural consequence, the company was heard of no more. The following will tend to satisfy the reader that no exaggeration has been used. "I have,"

* The public is greatly indebted to Mr. Hartnoll, the avowed editor, and Mr. Pateman, the publisher of the Post Magazine, for their great exertions in the cause of Life Assurance.

says Mr. Hartnoll, "from among the worst cases of assurance companies brought into existence under the facilities for forming such companies by the Registration Act, exhibited to you the history of one whose robberies amounted to 60,000*l.* I have dissected another of these companies, composed of a low set of vagabonds, whose signatures as shareholders were procured at a pot-house for pints of beer. I have given you the name of a third, whose secretary was brought, most wrongfully according to the verdict, to the bar of the Old Bailey, on a charge of conspiring to obtain money under false pretences; and of a fourth whose manager is a mendicant, and whose secretary is a fellow who ought to become one, in order to prevent his becoming something worse, I have from the middle class of these companies referred to one, winding up in Chancery, having 'fictitious names of subscribers to the deed,' and from the purer class of new companies, from no invidious selection, but almost by compulsion, under public challenge from parties officially connected with two offices. I have analysed the accounts of one, which, at the end of three years, had only 14,512*l.* left in every shape and form out of 45,081*l.* received in solid cash; and of another which, although with every shilling of its funds gone,

and 1754*l.* 10*s.* 3*d.* in debt, continues to publish to its policy-holders and the world at large the very great fib that it has made a profit of 6015*l.* 9*s.* 2*d.*" *

Of course the frauds alluded to above strengthened the hands of the old companies, and though really worth nothing as illustrations against the existing offices, were quoted with much delight. The chief thing they did prove was, that while the Registration Act did not prevent the formation of bubble societies, it aided such men as Mr. Hartnoll in discovering them before much mischief could be effected. All these circumstances, however, drew attention to the new companies, eliciting a variety of opinion on the subject.

The amount assured in all the life offices in the kingdom is variously calculated. But probably the information collected by Mr. Brown, who estimated it at 150,000,000*l.*, is nearest the mark. On this sum, 5,000,000*l.*,—being about one twelfth of the annual revenue of the country,—are payable yearly as premium. The vastness of this interest, its domestic character, its mercantile and its social bearings, are all important; and as life assurance is making rapid strides in public esteem, it is probable that where one man now insures for the sake of his

* "Assurance Companies' Accounts," p. 43.

family, two will do it in twenty years' time; always provided no check be given to the principle, by the failures of offices, through extravagant expenses, or through want of business.

There is a general objection on the part of commercial men to see the Government interfere in mercantile affairs. But this is a question of degree: the principle is sound to a certain extent, though no farther. It is sound that the State should not interfere with the detail of management, but it is not therefore unsound that it should propose some general law by which publicity may be given to certain accounts — by which the public may be made aware of their liabilities, and a moral check established which must be beneficial to all.

The wise provisions of the Banking Act of Sir Robert Peel in 1844 are a proof that our Legislature does interfere in financial affairs, and life assurance is only an extended form of banking; the joint-stock banking company receiving deposits and paying them back, with interest, on demand; the joint-stock assurance company receiving deposits and paying them back, with interest, at death. If it were thought desirable for the Bank of England to publish a weekly statement of its financial position, it is equally desirable, in many respects, for a life assur-

ance company, — the argument being, in both cases, the general good.

An examination of the accounts returned by the various offices gives us some startling facts. Twenty-five of these, the average term of whose operations has been three years and three-fifths, have expended in that time 375,328*l.* out of 462,032*l.*, great part of which they have received for policies granted and annuities promised. Nine of them have spent all their premiums and 30 per cent. of their capital besides. Mr. Labouchere distinctly stated his opinion that many were insolvent; and "My impression," says Mr. Christie, "nay, my entire conviction, as to others, notwithstanding the flaming accounts of their prosperity contained in reports and speeches at annual meetings, is, that they are rotten, and are in effect, though not in design, fraudulent."

Such statements as these being publicly made, there appears some ground for examining the question, and for quieting the minds of those who may have entered into engagements with the junior offices, so far as a fair and rational consideration will do so. It may be assumed that none of the offices now in existence have been opened with a fraudulent intent; but the necessity which exists of spending their money liberally, and almost lavishly, to procure

business, is almost as pernicious. It is but just to say that an examination of the tables of the new offices does not show a low rate of premium; not lower, perhaps, than the increased value of life will allow, and certainly not lower than the old offices could well afford to charge.

One unfortunate tendency of the new companies is to give life assurance a speculative character, when nothing is less speculative in reality. Yet the extraneous temptations and collateral advantages promised by most are very mischievous. Men now sometimes insure their lives with a vague belief that in a few years they will have no more premium to pay; they quarrel with the fair divisions of old offices, and taunt their managers with the advantages to be derived from the new. As an example of the language that is sometimes indulged in, one modern office promises to set apart a portion of its future profits, whether such should amount to thousands or to tens of thousands, to hundreds of thousands or to millions, for the support and future provision of any person in decay who shall have once, for however brief a space of time, held a single share in such company. "To become a shareholder," says the prospectus, "is as it were to effect at once and for ever a policy of assurance against want." The

reader is left to judge for himself of this singular specimen of assurance.

But, independently of the expenses which eat up the premiums, it may be feared that in an anxious search after business, the examining physician may not be so rigid in his report as those of the older established companies; the lives admitted by the directors, therefore, not being so good as they should be for the ultimate safety of the office. It has been added, in support of this, that in some of these companies the mortality has been 40 per cent. more than it should have been, had proper care been taken. But are we not very ignorant of the laws which govern disease? It is well known by physicians that the chances of life in individuals are constantly changing. Mr. Gompertz, the father of our actuaries, has expressed a belief that it would be difficult to pick out 10 per cent. of really uninsurable lives from the entire population. Those which are now doubtful, or even diseased, to-morrow become sound and insurable; while those accepted with gladness at the ordinary rates of to-day, become in almost the same proportion ailing and uninsurable afterwards. The chances of individual health, be it sound or unsound, are as uncertain as those of individual life, and no effort having hitherto been made, excepting by Mr.

Neison, to discover the law which governs disease in its relation to life, it follows that any argument against the new companies based on the low character of the lives which they assure, may prove, however specious in theory, very unsound in practice. And the mode adopted by the old offices of conducting their business has certainly, up to the present time, been too much in their own favour. By well-grounded tables they establish the fact that out of 1000 lives, taken at random among the diseased as well as the healthy, a certain number will die each year, until all are extinct. But though on this they found their rates, they are much too shrewd to take their lives at random. They pick the strongest and healthiest, rejecting all else, and make them pay premiums founded on the contingency tables of mixed lives. This, therefore, is also somewhat in favour of the calculations of the new companies. But there is another important item to be regarded; — the value of money. The funds of all the offices from 1760 to 1815 were bought when Consols were low, and the price of the Three per Cents. ranged from 47¼ to 97. During the war there was an eager demand for money. Exchequer bills, mortgages on large landed estates, allotments of new loans, were all favourable modes of investment. Even since

money has been plentiful, the large capital of the old offices has enabled them to gain a higher interest, because money lent in large sums for a lengthened period will always command a higher rate of interest than small sums for a short period. Thus one old office announces, in its balance-sheet, that it is receiving $4\frac{1}{2}$ per cent. on its investments; and probably other offices, with similar funds, are similarly fortunate.

The new offices may find a difficulty in this which they have not estimated, and which may materially interfere with their profits; although it is more than probable that even this objection is over-rated, because there are principles which govern the interest of money, quite as certain as those which govern life, and because the rate of discount of the Bank of England is no safe criterion to those who are out of the money market. Their anxiety to forward their interests will also induce them to exert themselves, and the activity which pervades business when discounts are low, may more than compensate for a diminished interest. There is, however, another feature which must always act somewhat in favour of the old offices, and that is, their liberality in peculiar cases. Rich and well-established companies do not always confine themselves to arithmetical

calculations, and they often employ the rule of right in paying demands which no court of law could compel; partially, it may be, from proper feeling, but principally from an "enlightened selfishness."

If it be thought that life assurance offices should, for the sake of the public and of themselves, be interfered with by Government, the next step is to discover the simplest and the least vexatious mode of dealing with them. And here at once arises the question whether some difference should not be made between the mutual and the proprietary company. Assuming that the mutual system possesses every essential element of safety, it is equally true that there are hazards in the path of any company depending merely on its premiums, which do not attend a company with a respectable proprietary. Hundreds were once ruined by a mutual fire-company; and had the cholera, in 1849, fallen on the class which does insure as much as on that which does not insure, none can say to what extent the new and untried companies would have suffered, or whether they could have paid the policies which became due. And there is another point which materially affects an office with a small business. In the first few years of its existence the estimated mortality will probably ensue. But let us imagine,

for a moment, this mortality seizing those who are insured for large amounts, instead of those who are insured for small sums; might not the demands be too great for its capital, even with no excess of mortality, especially when it is remembered that the expenses of establishing the society would necessarily have decreased its resources? A company with a subscribed and paid-up capital may fairly pay largely for advertisements; but a mutual company, without any independent funds, has scarcely the right to use their premiums for any other purpose than to decrease the annual payments or add to the policies. As mutual offices, therefore, have no other security than their premiums, these would require to be looked after more circumspectly and closely than where a capital and a proprietary are answerable to the insured. The mode in which the funds are invested by mutual offices might be a fair subject for publication; nor would this be an invidious distinction, as an irresponsible office has less claim to an equal latitude of investment, and less right to keep their secrets than a responsible company.

One element in the success which the old mutual offices have experienced is attributable to the high rates they charge. Thus, the premium of an old mutual company at the age of thirty is 2*l.* 13*s.* 6*d.*;

while that of an old proprietary company is 2*l.* 2*s.* There may be an ultimate equivalent to the mutual insurer, if he live, in either a reduced premium or an increased policy; but as the former is too frequently accepted instead of the latter, the family of the insured do not receive the same benefit at his death which they would have done, had he paid the same sum to a proprietary office, and kept up the premiums as he would have been compelled to do.

A life assurance office with a respectable proprietary and a paid-up capital, is by virtue of the English law of unlimited partnership as safe as any company can be, so far as the assured is concerned; and as the chief end and aim of government interference would be the safety of the policy-holder, it follows that new legislation on this subject should in fairness only affect new proprietary companies, to prove the reality of their capital, and so protect the public from such men as those who have lately been unkennelled. But though a marked difference may be claimed by the respectable proprietary companies, and though a distinction might perhaps in strict justice be drawn betwixt those with a subscribed capital and those which have only their first years' premiums, less their expenses, to pay the claims against them, it would perhaps be politic on the part

of government to include all; and it would be still more politic on the part of the old proprietary offices to state their readiness to concur in any plan which might be for the benefit of the body corporate, because any legislative measure, to be effective as well as protective, must be general. While it must be such as will be readily acquiesced in by the older offices, it must not be made unpleasant to the new: it must be at once general in its application and strict in its inquiries. If it appear inquisitive, it must not be inquisitorial; and, if possible, the common consent of all should be obtained. The actuaries, who are intelligent and accomplished gentlemen, must be propitiated, for they are in possession of a somewhat occult science, having justly the ear, the confidence, and the respect of their directors. And when it is borne in mind that these directors embrace, as a body, the first men in the city of London, that they possess a commercial, social, and, not seldom, a political consideration, it follows, that to conciliate them is as necessary to the well-being of any measure, as to conciliate the actuary is necessary to the co-operation of the directors. There is no profession in which subordinates are so respectfully regarded, for the actuary is master of a science in which the direc-

tor is generally deficient; and knowledge, in this case, as in others, is essentially power.

If then it would be wise and prudent for government to interfere with all, and at the instance of all, the next consideration is how to produce the greatest amount of good with the least amount of evil: and one of the essential conditions is, the clearest information published in the briefest form to give a correct estimate of the position of an office. Tabular statements may prove whatever the actuary pleases, and may be made to mean anything and mystify anybody. One concise form, therefore, so clear that he who runs may read, a form which can deceive no one and which all can understand, will be necessary.

Many methods by which the safety of the public may be attained have been proposed; but the first to be dealt with are the publication of the accounts, the form in which they should appear, and the mode of determining their correctness.

1st. The publication of the accounts, to be effectual, should be general. Without this the cry of partiality would be raised, and must be fatal to the attempt. As well as general, they should also be uniform, so far as this is possible. They should consist of leading features stated in the simplest and least complex form, admitting, as far as practicable, of only

one interpretation. They should be certified by the actuary, examined by the directors, and signed by the chairman, all of whom should be held responsible, under a heavy penalty, for their accuracy.

2d. These returns must give the exact money position of the office, the leading principle being an endeavour to show the funds in proportion to the risks; and as there is a difference in the mode of estimating future chances, the form adopted by each should be one and the same. As each office, also, has business special to itself, with its own peculiarities, its own interests, and its own mode of investment, any detailed statement might be dangerous, and form the groundwork for rivals to copy or to criticise. The points of chief note are the capital, the amount of liabilities, and the annual returns; and if the endeavour were made to show the funds in proportion to the risks, instead of endeavouring to procure a large show of business at any price, the object of ambition would be the accumulation of capital.

3d. The best way of procuring correct information is the next condition. Falsified returns are not impossible. If any office should be failing in its endeavours to keep its business together, having men at its head whose names are unknown save in a petty

and obscure locality, a strong check is necessary; and it seems scarcely practicable to avoid the appointment of a competent person as an arbiter of their correctness. Unpopular as this might be at first, were the appointment placed in proper hands and judiciously carried out, it would be of immense benefit. It would indeed be scarcely necessary for the inspector to be a government officer. The established companies might fairly say, that they have done no wrong, and that a close espial by a government agent would be derogatory. But were an inspector of this kind chosen unitedly by the offices, and paid by the State, the companies having no voice in his dismissal, excepting under circumstances which ought to command it, there would be less objection. The necessity for such an officer would arise from the brevity of the accounts to be published. It would be his duty to see that the data from which they were formed was true; that the premiums received were as large as was stated; and that while the investments were as great, the liabilities were not greater than the report asserted. The power to examine and compare these returns with the books of the various companies is a delicate consideration; but as the offices might appoint the inspector themselves, it would, after all, be only an

additional check by their own officer on their own affairs. The mode of investing need not be published, as the power of the inspector to demand an examination would be a sufficient check on immorally-disposed offices. Nor is such a case unprecedented, as by a clause in the Bank Charter Act of 1844, commissioners are empowered to search into and examine the books of those bankers who issue notes.*

If it be desirable, as it undoubtedly is, that assurance offices should be perfected for the sake of the public, it is doubly so that some check should be placed on annuity companies. It is from them that most mischief has ensued. In a life office the promoters may have to pay claims before they have received sufficient assets to meet them. But an annuity office, where capital is at once placed down for a future, but postponed benefit, may do irreparable mischief in less than a year. In this way the public, and that portion of the public, too, which is the most deserving of care, have suffered, and are

* "That the said Commissioners shall have full power to examine all books, at all seasonable times, of such bankers as issue notes, and to take copies or extracts from any such books or accounts."—History of the Bank of England, its Times and Traditions.—By John Francis: 2 vols. 3rd edition. Longman, Brown, and Co.

likely to suffer. All the new offices grant annuities, and though it is difficult to say the exact amount, (their returns being so cleverly or so clumsily arrayed), yet it is probable that within the last five years more than 100,000*l.* has been received on the faith of annuities to be paid by them; and it will be no consolation to the annuitant to be told that though his annuity must cease, it is caused by unfortunate calculations and not by fraudulent design. The granting annuities does not necessarily, although it may naturally, enter into the business of a life office. For the first century assurance, and annuities were distinct, and it is somewhat doubtful whether it is quite wise to allow, at any rate it is dangerous to the public to deal in annuities granted by new offices which issue policies of assurance as well as bonds of annuities. The large sums paid down make a show in the assets of a new company, and the fact that hundreds of people for many years rest their entire support on the promises to pay of offices which have been declared by many to be bankrupt, and whose balance-sheets certainly evince an irregularity out of keeping with all propriety, is singularly important. It is a cruel government that will not interfere in an iniquitous system, and the accounts of the annuities, viz. the yearly amounts to be paid, the estimated

number of years over which they will extend, and the special capital in hand to meet the demands, should be published separate and distinct from the assurance accounts; as the banking and issue departments of the Bank of England.

Another proposition has been made, to the effect that no company should be allowed without a large paid-up capital. "The public safety," says the 'Morning Chronicle,' "requires that a sufficient capital should be provided;" and this the same article suggests should be 50,000*l*. "There are special reasons," adds the writer, "particularly at this time, why new insurance offices should be required to provide a sufficient capital. Causes are in operation which may interfere largely with the rate of interest procurable on first class investments, and it is not to be overlooked that the increasing facilities of communication with distant regions, Australia for example, combined with the wide discretionary powers which it is the fashion for deeds of settlement to confer, may lead to remote and hazardous investments, full of promise when entertained, but liable to great and sudden accidents,—accidents such as insurance offices without any independent resources could never recover."

In another portion of the very elaborate articles

alluded to *, it is added :—"The only real remedy is to take care that the parties who enter into the several speculations have something considerable to lose, self-interest will then render them infinitely more prudent and vigilant than all the inspections and certifications in the world. With the general requirement, however, of the payment of 50,000*l.* as capital, might very properly be combined certain improvements on the present law of a minor character." "It would be proper also to enact that after a specified date all persons whose names are with their consent advertised as patrons, vice-patrons, trustees, or honorary directors, of any insurance company, shall be deemed to be shareholders therein."

How far the suggestion of no office being allowed without a large capital, should be carried out, is a very serious consideration. A large paid-up capital does not appear an absolute necessity, although the faith engendered by it would probably repay the assured, because the larger the capital, the greater the confidence, and the greater the power of the subscribers to extend the business, as it does not follow that all the profits should go to the proprietors. The money invested would not be idle; it would be the business of the directors to place it in security at a good in-

* The Morning Chronicle.

terest, and the interest would probably be greater than the subscribers could obtain elsewhere for their money.

All the old companies, which were once purely proprietary, divide a portion of their profits among the insured, and nothing can be fairer or better founded than an office which offers the advantage of a large paid-up capital, and divides four-fifths or nine-tenths of the profits among the insured. Still as the entire tendency of the public has been in favour of the mutual system for the last quarter of a century, as all authorities have proclaimed it to be the purest principle of Life Assurance, as innumerable instances of great success are to be found in its ranks, it follows that an attempt to revert to the pure, proprietary system would be worse than useless. But with all the advantages of the mutual system, it is probable that a small paid-up capital, with responsibility to the extent of the proprietor's fortune, would be sufficient for safety: for there is one more point to be considered relating to the management of a mutual office, which is too often forgotten. In this the policy-holders have a vote; they know not when their lives may fall; they are eager to add to the value of their policies; and the directors feel a pressure from without which some-

times compels them to give a greater bonus than they ought. This is the prevailing tendency of the mutual principle, and argues somewhat against it. In a mixed company, on the contrary, it is the aim of the directors to maintain their investments intact; they know that what will destroy the company will destroy them as partners, and there is a moral power in operation in their case, as there is something very unlike a moral power in operation in the other.

That there are enough and to spare of companies, none can doubt. That some are in a position from which their customers would justly shrink is probable; and that others would be found insolvent if strictly examined, is to be feared. But, with all this, they are indisputably beneficial to the cause they represent, as they are spreading its knowledge, and pressing its necessity, with the earnest spirit of men whose existence depends on the number of their proselytes.

CHAP. XV.

EXTENSION OF ASSURANCE. — SOCIETY FOR ASSURANCE AGAINST PURGATORY. — COMMERCIAL CREDIT COMPANY. — GUARANTEE SOCIETY. — MEDICAL, INVALID, AND GENERAL. — AGRICULTURAL COMPANY. — RENT GUARANTEE. —RAILWAY PASSENGERS.—LAW PROPERTY, AND INDISPUTABLE SOCIETIES. — DISPUTED POLICY.

It has been found that there are unchanging principles which regulate commercial losses; that the lives which are sacrificed by railway accident have similar conditions; that the storm which levels the wheat has its defined courses; that the murrain which devastates the cattle is as fixed in its movements as the disease which destroys humanity. To meet these casualties, societies have been started, founded on laws originating in the doctrine of probabilities, and regulated by tables to show the chance of their occurrence. Nor is there any reason against — nay, there is every reason to believe in — their success, provided only their promoters apply themselves with diligence to collect sufficient data whereby to rule their operations. Of one society only

may a doubt be evinced and a smile raised at its presumption, and this is the

SOCIETY FOR ASSURANCE AGAINST PURGATORY!

for supposing the threepence per week paid by the credulous peasant be sufficient to satisfy the priest, yet there is every reason to doubt that the prayers and masses of such mercenary pastors will be sufficient to satisfy God. There is something half-grand and half-grotesque in this impudent provision against an indefinite future.

THE COMMERCIAL CREDIT MUTUAL ASSURANCE SOCIETY

is characteristic enough of a mercantile people. Prior to the foundation of such an institution, it is obvious that there must have been some important statistical information connected with commercial losses.

This was submitted to Mr. Finlaison; and his opinion being that the plan contained the strongest element of success, the society commenced business; and now any person supplying a number of traders with goods may secure himself from loss, 90 per cent. of which is paid to the assured party, the remaining

10 per cent being placed as a reserve fund. There is also an annual charge for management, out of which the interest on the shareholders' capital of 50,000*l.* is paid. There are many collateral advantages in connexion with the company, not the least of which is information concerning the trading community, so that a subscriber may ascertain the character and credit in the money-market of a new customer. All legal expenses are borne by the management commission fund; and there is something very amusing in the indifference with which any person insured in this society must attend a meeting of creditors; for while others look with bent brows and anxious faces, he may remain utterly careless about its proceedings. It is easy to suppose that this feeling may raise a spirit of recklessness in some; but the promoters have wisely interested this class, if such there be, by the deduction of the 10 per cent. on all losses, and by other wise arrangements which stimulate the careful and deter the careless. One half the surplus of the year's premium will be applied to the reduction of the next payment of those whose losses have not equalled their annual premium; and as a similar society has been in operation in France for the last five years, which has met with signal success, there appears every reason to believe that

this society will prosper. Within the first nine months, insurances have been effected of more than 3,000,000*l.* The theory of chances is as applicable to commercial transactions as it is to life. The close observer will not have failed to notice that the periodical epidemic — whatever form it may have assumed — has its representative in the commercial crisis. Every six or seven years, mercantile epidemics — analogous to the cholera, the influenza, or the typhus of an unhealthy season — which seem to defy all calculation and to level the lofty as well as the low, revolutionise our money system. So fixed have they become in their appearance and re-appearance, that they have ceased to be exceptional; and there is now plenty of information on which to base some estimate of the annual losses of special classes from bad debts.

GUARANTEE SOCIETY.

When this company was first started, in 1840, for the insurance of loss against the dishonesty of clerks, there was a great objection raised. It was thought one of those vague and speculative undertakings of which England has seen so many, and one which would necessarily fail, because the master would hesitate to take an assistant who could only give the

security of a commercial company. "The moral security is wanting!" was the exclamation of all. It was vain to answer, that this objection pointed both ways, as the relative would often give the desired bond, which a mercantile institution would refuse. Still the parrot reply was heard, and the solemn shake of the head was followed by "The moral security — where's the moral security?" and was deemed sufficient to crush all argument derived from mere statistics.

Time pased, and it was discovered that because a banker's clerk gave the security of a company, he did not become a rogue, but he did become independent. It was found, too, that the master could make his claim good on the company with far more promptitude than he could on a relative. It was nothing to say to a board of directors, "I will have justice and my bond;" but it was something to say to a broken-hearted parent, "Your son has ruined you as well as himself — discharge your obligation!" It is well known that bankers and merchants have often foregone their due rather than thus reimburse their losses: and it has been found that, notwithstanding the fact of the "moral security" being wanting, the societies which guarantee the master from loss by the servant have been very successful, are very serviceable, and are on the increase.

THE MEDICAL, INVALID, AND GENERAL.

Almost the only objection which could be brought with justice against the offices prior to 1841, was the habitual practice of refusing delicate and doubtful lives. Having, in the early part of their career, taken all who came without inquiry, they rushed into the opposite extreme, and refused all who were not undeniably strong. There were indeed a few offices which professed to insure invalids; but they had no statistical information; and they rarely, if ever, accepted a life unless it was obviously a good one. In 1833, Mr. Gilbart wrote, "We may hereafter have tables that shall show the expectation of life, not only in regard to people in health, but also to those afflicted with every kind of disease;" and in 1841 Mr. Neison established the above office, the success of which has confirmed the opinion entertained of his great ability.

AGRICULTURAL INSURANCE COMPANY.

In the year of the South Sea bubble, a wit of the day epigrammatised the proposal to insure horses and cattle, little thinking it would ever be carried out. Yet that some such institution was necessary may be gathered from the number of local clubs of this cha-

racter established all over the country. These will probably merge in some agricultural insurance company like the above; and did this institution not take human life into its business, it might be more successful. The laws relating to life and to farming stock are very different, and a company devoted to the latter would be wiser than one which blends the assurance of agricultural property against disease, accident, fire, lightning, and the hailstorm, with ordinary life assurance.

THE RENT GUARANTEE SOCIETY.

This is another instance of the extension of insurance to a purpose which at one time would have been pronounced Utopian; and which, addressing itself exclusively to landed proprietors, promises to collect their income without trouble and without loss. When a tenant knows that his rent will be rigorously demanded, he feels that he must provide the money or pay the penalty. There are no qualms of conscience in companies; and though a man might try to play upon the easy good nature of his landlord, such tricks would be vain against them. Determined habits of thrift are thus engendered, property becomes more valuable, the landlord receives his rents regularly, and business proceeds like a machine. It

may be said that the kindly feeling between landlord and tenant disappears beneath the iron sway of a public company; but however this may be regretted, it is only an inevitable consequence of the changes of capital and the consequent transfer of estates.

RAILWAY PASSENGERS ASSURANCE COMPANY.

We owe to Mr. Glyn, when chairman of the London and Birmingham Railway, the first light on the subject of railway accidents. He proved that they were far less by the iron road than by the coaching system, and that the loss of life, in proportion to the number which travelled, was incomparably less. When the yearly railway reports were published, it was at once seen that a society like the above would have a fair chance of success. Some of the railway companies have refused their aid, thinking it would cause a decrease in railway travelling. Others, again, have assisted, on the broader principle that such an institution was sound. This company has been severely tried; but it has been productive of an incalculable amount of good, and the character of the directors gives a perfect solidity to the concern. In many cases it has been very effective in mitigating the distress which sudden death so often entails on survivors.

ACCIDENTAL DEATH INSURANCE COMPANY.

There are hundreds of thousands who cannot afford to be run over; to whom a lingering illness would be misery; and whose death would scatter or starve their families. A serious or severe accident would probably deprive a clerk of his situation, and a small tradesman of his business, leaving them with no home but the hospital, and no hope but the grave. The statistics of general accidents are difficult to arrive at, but a small annual premium would be an ample safeguard against such a casualty. There is one point in which both this and the Railway Assurance Company are wanting, and yet it would be scarcely possible to amend the error. There is in neither of them any inquiry as to the health of the party assuring. Now it is obvious that the very life of a confirmed invalid would be shaken out of him where a strong and hale man would receive no injury.

LAW PROPERTY ASSURANCE AND TRUST SOCIETY.

Of a somewhat similar character to the Rent Guarantee is the above; and this is another admirable idea if it can be carried out. Defective titles, being

assured, are rendered absolute and perfect by it. The actual repayment of loans and mortgages is guaranteed, while copyholds, lifeholds, and leaseholds are made equal to freeholds for all purposes of sale or mortgage.

THE INDISPUTABLE LIFE COMPANY.

There is a principle involved in the title of this Society which is much too important to be briefly dismissed. The eagerness with which all companies claim indisputability for their policies, is a significant sign of public feeling on the subject. But the term indisputable at present means nothing. To be effectual, it should be absolute; and it is doubtful whether it would not benefit the whole of the offices to adopt indisputability as their motto. There is great evil, and there is often great wrong, in a disputed claim; but it seems sometimes a necessity. Where there is conspiracy, fraud, or concealment, it is manifestly unjust to pay a policy; but it costs far more to resist it: and it is a point worthy mature consideration whether an insurance so effected should not be treated as a fraud, and punished criminally. It might be taken as a rule, that where the policy is in the possession of any one who has assisted in the fraud, it should not be paid; but when it has fairly passed

into the hands of a third party, such a course might be honourably avoided. It has been said by its opponents, that at present there is no company which issues policies really indisputable; that which is so called, being only indisputable according as the conditions on the face of the policy are maintained, and that their title is open to dispute.

There is, however, one merit due to this company. It has opened a most important question, and one that will eventually lead to indisputability in its most extended form. It will also render other offices more cautious in entering a court of justice, and it can never hope to enter itself with success.

That the power of a company is often vexatiously and unjustly stretched to its utmost limit, in order to escape the payment of a policy, the following will prove. It is in itself a strong argument for indisputability.

When railway travelling was in its infancy, one John Scott, of Birmingham, being compelled to journey by what was thought a dangerous conveyance, was urged to insure his life as a provision for his family. He offered himself to the Norwich Union, answered all their questions, was examined by their medical man, and reported as perfectly sound. So good a life was he, that the agent of the Imperial

urged him to abandon his proposition with the Norwich, offering him such inducements that he consented, though it cost him six pounds to void his nearly concluded bargain. He then went through all the forms necessary with the Imperial, was reported again as a perfectly sound life, and gladly accepted in May, 1840; the policy being for 2000*l.* From 1840 to 1842, he worked with an untiring energy and an incessant labour utterly incompatible with failing strength, and in that year he became a bankrupt. So excellent was his health, that his assignees would not pay any more premiums until they had ascertained that its market value was equivalent to the payment, and they then sold it by public auction to Mr. Beale for 135*l.*, the Imperial itself bidding up to 100*l.* The next premium was paid by Mr. Beale in May, 1843; and in the following December, Mr. Scott died.

The discharge of this policy was contested with a determination sadly at variance with unsophisticated justice; but because the Imperial had a witness to prove that Mr. Scott had suffered from an ulcerated sore throat in 1836, they refused to pay. And when on the first trial the jury returned a verdict against the company, they obtained a second trial on technical grounds, which again they lost, and yet another, which was once more decided against them; though

so great were the expenses to the claimant that he gained nothing by his public purchase of the policy granted on the faith of a respectable company.

With a case like this, and there are many like it, is not an indisputable company desirable?

CHAP. XVI.

A TRADITIONARY CHAPTER.

THE BANKER'S MISTRESS. — THE ELDER NAPOLEON. — THE DECEIVED DIRECTOR. — THE MURDERED MERCHANT. — THE CORN-LAW LEAGUE AND THE CUTLER. — THE UNBURIED BURIED. — THE DISAPPOINTED SUICIDE. — A NIGHT ADVENTURE.

THE stories which are contained in the following pages may in most cases be relied on as essentially true. But they have been placed together in one Chapter, because some are merely traditionary, because the authority was not absolutely reliable in all particulars, or because they might have been irrelevant in the body of the work.

A lady possessed of great personal attractions, and calling herself by the convenient name of Smith, applied to an office to insure the life of a woman residing at the west end of the town. When asked the reason, she replied, that she had advanced various sums to place this person in business as a milliner, and that to effect an insurance on her life was the only way of securing the money in case her *protégée*

should die. The life was a good one, the references were satisfactory, and the policy was made out. In a few months a fine carriage, with coachman and footman in splendid livery, drove up to the door of the insurance office, and Mrs. Smith made her appearance to announce the death of the person insured. Whether the lady overacted her part, or whether the carriage excited suspicion, when it was meant to inspire confidence, is uncertain; but the officers of the society deemed it wise to inquire into the circumstances of the death. The house where the milliner had resided was mean; the immediate neighbourhood was poor; there was no indication of business to justify the assurance of her life for a large sum. The actuary who made these investigations went farther. He instituted an inquiry at the other existing offices. At the very first he went to, the same lady had effected an insurance on another person's life. At the next, and the next, and the next, she was known; at each she had procured policies on various lives for large sums, and wherever this woman had effected an insurance, within three months the person insured had died. There was scarcely an office in town where she had not appeared, and scarcely an institution which had not paid her various sums of money on lives which had

suddenly fallen. Her father, her mother, her sister, had been insured and had died, like all the rest, of cholera, and this too at a time when the cholera was not in active existence. Farther inquiries elicited the information that she was the mistress of a banker, whose carriage she employed to create an effect, and whose life it is very fortunate she did not insure.

After mature deliberation, it was resolved to dispute the payment; but as it was not thought advisable to give the real reasons, a technical plea was adopted. All the circumstances were, however, stated in the brief; and as Sir James Scarlett read them, when he saw how one life after another had fallen directly it was assured, that acute and able man at once exclaimed, "Good God! she must have murdered them all." But whether he were correct or not in this, it was determined to adopt another reason, and the trial came on. Although Sir James had instructions not to exceed his brief, he could not resist the temptation, and he hinted pretty broadly that foul play must have been used under such extraordinary circumstances. The advocate on the other side enlisted the sympathies of the jury in his "beautiful, delicate, and susceptible client;" he wondered at the baseness of the thought which

charged such a crime on such a creature, and invoked the vengeance of heaven on those who could entertain so unworthy an idea.

One surgeon had been referred to in all the cases, and one surgeon had testified to the death of all. The effect upon the court was appalling, as document after document was handed him; and as with each certificate the question was put, "Did you examine this life?" and the answer came "I did;" and "Did you certify to this death?" and still the same reply was given: it seemed as if this series of sudden and insidious deaths would never end. Both advocates did their duty in this difficult case according to the most approved rules of art; but that of the lady was triumphant, and gained the verdict. Still the office was determined not to pay, for the directors felt certain they were right. The more inquiries they made, the more extraordinary the circumstances which were elicited, and they resolved to show cause for a new trial. To do this effectually, they found it advisable to abandon all technical objections, to state broadly and boldly the moral grounds on which they acted, and to insert all the causes which made them thus declare war to the "knife." Never was a more serious list of charges brought against one person; and no sooner did the lady find

that so grave an investigation was in progress, than she left this kingdom for that of France, in the capital of which she commenced a boarding-school, and obtained the attendance of some respectable girls, but to what account she turned them, and of the scenes which were enacted, the less that is now said the better.

* * * * *

Many years had passed since the above facts occurred, when the secretary of an insurance office at the west end of the town, asked the actuary who had elicited the above facts, whether his office was disposed to take a fourth part of 10,000*l.* on the life of a gentleman just proposed by a lady in connection with some marriage settlements. An affirmative answer was given, an appointment was made, and on the following day the lady and her lover met the officials at the office. The former was a person of great personal attraction, elegantly dressed, and elaborately ornamented; the latter had nothing against him as a life, excepting perhaps that he appeared a most inordinate fool. But the face of the lady, though changed by the lapse of time, was strangely like that of her who years before had quitted England so abruptly; and the resemblance, at first deemed ideal, grew so positive that suspicion

ripened almost into certainty. Nothing occurred, however, on the part of the actuary to indicate it, and when the cause of the insurance was demanded, a marriage settlement was mentioned by the lady, who, with a smile and a simper, pointed to the gentleman by her side as the happy man. To the health of the applicant there was no objection; and as he was by no means overburdened with brains, a private interview was sought with him, that he might, to use an expressive phrase, be well pumped. This was easily done. When he was asked whether he had any property of his own, he said No; and it soon appeared that he had acted as agent or traveller for some wholesale house in the City, and that his knowledge of the lady had arisen from the introduction of a military gentleman, who thought it would be a good match for him; and that on this they had proceeded to some Zadkiel of the day, who had predicted their union. All this gave no clue to an insurable interest, and when he was asked what reason there was to believe in her great possessions, he pointed to her gay dress, and expatiated on her rich jewellery. Such a fool was scarcely worth a thought, so the place where the lady lodged was applied to; but no information could be procured, excepting that she was supposed to be "very respectable," as

she had an abigail and footman. It is strange that, notwithstanding the difficulties of the case, the woman succeeded in obtaining the insurance. Before the policies were duly made out, she wedded the gentleman who wished to better his condition, and "all went merry as a marriage bell!" One fine morning, however, the woman where they and their servants lodged, came down in a hurry to the office to say that on the previous night they had all got tipsy together; that there had been a violent quarrel among them; and that the servant had been overheard to accuse her mistress of prompting her to marry a man to whom she was engaged, to induce him then to insure his life, and afterwards to go to France, where they could easily make away with him, and receive the insurance money. In the blindness of passion, occasioned by the quarrel, they went before a magistrate and made statements of each other so startling and so fearful, that the magistrate dismissed the case, believing them all unworthy of credit; and it may be presumed they did not tempt Providence in a police office again.

When this news reached the offices, they grew alarmed, and taking advantage of the false position in which she had placed herself, insisted on returning the money she had paid them, demanding at the same

time the receipts she had taken. At first she indignantly refused; but the offices not being very delicate in the threats they held, this adventuress, as extraordinary a person as ever figured in romance, yielded the point, and released the companies from the liabilities they had incurred.

Her future life is quite uncertain, as she went abroad with her husband, who after some time returned with a constitution as shattered as if some subtle and poisonous drug had been instilled into his system. The lady went her way, was seen no more in England, or at least speculated no more in insurances on lives.

A. B. was the proprietor of an entailed estate, and much involved in his affairs. His life was insured for the benefit of his creditors for 14,000*l.* In 1819 he intimated by letters his intention of putting an end to his existence in order to free himself from his embarrassments, and soon after his clothes were found on the banks of a deep river, from which it was inferred that he had carried his intention into effect.

Circumstances, however, created a suspicion that he was still alive, and the creditors kept the insurances in force by continuing to pay the premium

for some years; but his existence, though believed, could not be proved, and was not known for certain until his death actually occurred in America upwards of five years afterwards, previous to which the payments had all ceased.

The reader need hardly be told that the life of the elder Napoleon was trafficked with by underwriters during the whole of his wonderful career. The various combinations in the funds, dependent on his life, entered into by jobbers, made it very desirable to insure it; and this was legitimate enough, as the jobber had a tangible interest. In this way very large speculations were hedged; and as every campaign and every battle altered the aspect of affairs, the premiums varied. Sometimes private persons acted as insurers. Thus, in 1809, as Sir Mark Sykes entertained a dinner party, the conversation turned — as almost all thoughts then turned — to Buonaparte, and from him to the danger to which his life was daily exposed. The Baronet, excited partly by wine and partly by loyalty, offered, on the receipt of 100 guineas, to pay any one a guinea a day so long as the French Emperor should live. One of the guests, a clergyman, closed with the offer; but finding the company object, said that if

Sir Mark would ask it as a favour, he would allow him to be off his bargain. To a high-spirited man this was by no means pleasant, and the Baronet refused. The clergyman sent the 100 guineas next day; and for three years Sir Mark Sykes paid 365 guineas; when thinking he had suffered sufficiently for an idle joke, he refused to pay any longer. The recipient, not disposed to lose his annuity, brought an action, which was eventually carried to the highest legal authorities, and there finally decided in favour of Sir Mark Sykes; the law lords not being disposed to give the plaintiff a life interest in Buonaparte to the extent of 365 guineas a year.

A history of life assurance in Ireland is to be found in its agencies; but there are many anecdotes extant, of which the following are a specimen. The statements from the sister country are always looked at with suspicion, for they are too often at variance with truth.

Twenty years ago an insurance was effected on the life of a gentleman, and in two months he died, when a claim was made by a physician who had opened the policy. The circumstances were investigated, and it was ascertained that the party insured was at the time the insurance was effected, and for

months previously, under the medical treatment of the physician for a very serious illness: on a *post-mortem* examination it was found that both heart and lungs were diseased. The case was more disgraceful, because the physician who had claimed the money was medical adviser to the company with which the insurance had been effected, and had availed himself of his position to pass the invalid.

The managing director of one of our best offices was offered, while travelling in Ireland, an insurance of 2000*l.* on the life of a gentleman; and an appointment was made to meet next morning at breakfast. The applicant looked strong, and seemed healthy; he was gay, lively, and ready-witted; nothing appeared amiss with him then; and when the necessary certificates of health and sobriety were given, his life was willingly accepted. In a year or two he died. In the meantime information was received that his habits were intemperate, that he was rarely sober, and therefore that a deception had been passed on the company. It was discovered that he had been made up for the occasion, that he had dressed himself smartly, assuming a lively air and aspect, and that he had thus misled the gentleman by whom he had been somewhat incautiously accepted. Such a case it was

determined to resist on every ground of public propriety and private right. All necessary legal steps were taken; "the lawyers prepared—a terrible show;" and as it was of somewhat doubtful issue, it was deemed wise to take the most eminent advice which could be procured. That advice changed the determination of the company; for it was said, that though in England the deceased would have been pronounced a most intolerable drunkard, yet no jury in all Ireland would be found to pronounce a man intemperate who only took a dozen glasses of whisky toddy nightly; that intemperance in England was temperance in Ireland; and that they had better pay their money than risk a verdict. This they did; and doubtless were very cautious in all Irish cases for the future.

Great power must always lie with friends in recommending assurance to those whose circumstances demand it. An instance of this may be found in the case of a well-known City merchant. The estate of this gentleman was entailed on the male line; but notwithstanding this, it was his chief fancy to improve the property, to the detriment of the female branches, the only mode of obviating this being to insure his life to the extent of the sum spent in improvements. Those to whom he was near and dear

felt the delicacy of the case, and hesitated to broach the subject. His land agent was appealed to, a shrewd and sensible Scotchman, and he took the first opportunity of talking to Mr. —— on the subject, who immediately acknowledged its importance, promising to take the necessary steps on his first visit to town. This he did; proposals were made to the extent of 15,000*l.*; but some technicalities interfering which prevented so large an amount being effected in one day, only 10,000*l.* was insured; and the remainder postponed "until a more convenient season." That season never arrived. In less than nine months the beautiful village where he resided, rung with the news that he and his wife were murdered; and though money could not soften or subdue the grief of such a tragedy, it tended at least to alleviate it.

When the Corn Law league established its bazaar at Covent Garden, among others who contributed to the exhibition was a cutler from Sheffield, who visited London to see this great political feature of the day. Before he left the city, he applied to an office to insure his life. He was examined by the medical adviser; and though he seemed somewhat excited, this was attributed to a prize which had been awarded him, and he was accepted, subject to the ordinary

conditions of payment, with certificates of sobriety and good habits. The same afternoon he left town, arrived at Sheffield very late, and probably very hungry, as he ate heartily of a somewhat indigestible supper. By the morning he was dead. He had fulfilled no conditions, he had paid no premium, he had sent no certificate, — but he had been accepted; and as his surgeon declared him to be in sound health up to his visit to London, and as his friends vouched for his sobriety, the money was unhesitatingly paid to his widow, whose chief support it was for herself and five children.

C. D., in possession of a good entailed estate, but largely in debt, had his life insured for the benefit of his creditors for sums amounting to 10,000*l.*

In the autumn of 1834 his death was represented as having occurred under peculiar circumstances at an English watering-place, and after a very full investigation, with the depositions of ten witnesses, who swore to their belief of his having been drowned, and of four additional, who proved his identity, the insurance offices agreed to pay the sum in the policies, under the stipulation that the money was to be repaid if it should be discovered that he was alive.

Two years after his death was alleged to have happened, it was rumoured that he had been seen, and it soon became a matter of notoriety that he had visited his native place and had made himself known to one or two of his personal friends. The facts were not denied, and the various sums were repaid to the offices under the obligations granted by the parties who had received the money; but the offices allowed the surrender values of the policies as at the time of their being brought to an end.

At Berlin, on 24th November, 1848, the funeral ceremonial of the Catholic Church, amid a numerous circle of weeping friends and relatives, was performed over the remains of one Franz Thomatscheck, who, however, had taken care to insure his life, both in London and in Copenhagen; and who, strange as it may seem, was, in disguise, and impelled by a strange curiosity, watching the progress of his own funeral. On 29th September following, the public prosecutor, the police authorities, and the priest of the Catholic congregation, might be seen standing over the grave to superintend the disinterment of the coffin, the contents of which, when opened, proved to be heavy stones, rotten straw, and an old board.

A surgeon had been bribed to attest the death;

his brother had aided him in effecting his escape; his disconsolate widow had followed the departed; but the Austrian police, assisted by the telegraph, had thwarted all these movements by consigning the perpetrators of the fraud to the tender mercies of the justice they had violated.

In the eighteenth century a company was established, the chief feature in which was the omission of the clause which renders the policy void in the event of suicide. A man went and insured his life, securing the privilege of a free-dying Englishman, and then took the insurers to dine at a tavern to meet several other persons. After dinner he said to the underwriters, "Gentlemen, it is fit you should be acquainted with the company. These honest men are tradesmen, to whom I was in debt, without any means of paying but by your assistance, and now I am your humble servant." He pulled out a pistol and shot himself.

That the clause which makes the policies of suicides void is not unnecessary, the following is an additional testimony: —

Among the passengers who filled one of our river steamers on a fine summer's evening, the movements

of one in particular were calculated to draw attention. There was something so haggard in his face, there was so continual an air of restlessness in his person, that it was evident his mind was ill at ease. He had chosen a position where scarcely any barricade existed between him and the stream, and casting his eyes rapidly round to see if he were observed, he, almost at the same time that he placed a small phial to his mouth, plunged into the water. An alarm was instantly given, the vessel was stopped, and the passengers saw him, true to the instincts of humanity, struggling and buffetting with the water for life. Assistance being soon rendered, the man was saved; and it was afterwards discovered that, having lost all his property, and not knowing how to maintain an insurance into which he had entered in more prosperous days, he had determined on sacrificing himself for the welfare of those who were dear to him. Believing that his death would be attributed to accident, he had taken some prussic acid at the moment he jumped in, unconscious that the effect of this poison is neutralised by the sudden immersion of the body in water.* It is well to be

* "I tell the tale as 'twas told to me." It has, however, been suggested that he failed to take the dose in his extreme agitation.

a chemist when one wishes to be a fraudulent suicide.

As the evening of an autumnal day began to close, four men might have been seen hiring a boat at one of the numerous stairs below Blackfriars bridge. Their appearance was that of the middle order, but the reckless daring which characterised their air and manner, marked them of the class which lives by others' losses. By the time they had rowed some distance up the river, the only light that guided them was the reflection of the lamps which fringed it; and no sooner were they shrouded by the darkness of night, than, without any apparent cause, the boat was upset, and the four were precipitated into the Thames. They were close to land, and while they buffetted the tide and made their way, they hallooed lustily for help, which, as the shore was now ringing with the noise of boats and boatmen putting off to their assistance, was soon rendered. Of the four who had started, only three landed together, and great was their outcry for their lost companion. The alarm was immediately given; all that skill could do to recover their friend was tried, but the night was too dark to render human aid of much avail. It was pitiable to the bystanders to

witness the grief of those who were saved, who, finding nothing more could be done, were obliged to content themselves with offering a reward for the body, coupled with a promise to return early in the morning. They then went away, and the scene resumed its ordinary quiet. A few hours after this, at the dead of night, a second boat, with the same men, pursued its silent and almost solitary course up the river towards the scene of the previous misfortune. With them was a large suspicious-looking bundle, which, when they had arrived at a spot suitable to their purpose, they lifted in their arms, placing their horrible burden,—for it was the body of a dead man,—where from their judgment and their knowledge of the tide, the corpse of their friend would be sought. Favoured by darkness and by night, they accomplished their object, again rowing rapidly down the stream to an obscure abode in the neighbourhood of Greenwich. When morning began to break, they returned once more to the place which had witnessed their mysterious midnight visit, where, with much apparent anxiety, they asked for tidings of their companion. The reply was what they expected. A body had been found,—it was that which they had placed on the strand,— and this they at once identified as that of

the friend who had been with them in the boat, and for whom they had offered a reward. A coroner's jury sate upon the remains, a verdict of accidental death was recorded, and the object of the conspirators fairly achieved. That object was to defraud an assurance office to a very large amount: for the missing man had not been drowned; the grief expressed was only simulated: and the body which had been placed on the banks of the Thames had been procured to consummate the deception.

Against a fraud planned with so much art and carried out with such skill, no official regulation could guard; and when the papers containing the report of the inquest and the identity of the body, were forwarded to the office as the groundwork of a claim for the representative of the deceased, not a doubt could be entertained of its justice. It was true that the claimant under his will was his mistress; that his executors were the persons who perpetrated the fraud, and were with him at the time of the accident; but there were the broad and indisputable facts to be disposed of, that the insured man had met with a sudden and accidental death, and this was attested by the verdict of a jury. The money was paid, and with that portion of it which came to the deceased, he went to Paris. In that gay

capital, with a mistress as expensive in her habits as himself, the cash was soon spent; and so successful had been the first attempt in this line, that it seemed a pity for gentlemen thus accomplished to abandon a mine so rich. Very shortly, therefore, after the previous fraud, an application was made from Liverpool to an office in London, to insure the life of a gentleman for 2000*l.* The applicant was represented as a commercial traveller, and permission was sought to extend the privilege of travelling to America. This insurance was effected, and when only a few months had elapsed, information was received by the company that the insured gentleman, while bathing in one of the large American lakes, had been drowned; that his clothes had been left on the banks of the water where his body had been found; and in verification of this, all the necessary documents were lodged in due time. As the death and identity of the traveller seemed clearly established, the office intimated its readiness to pay the policy at the end of the accustomed three months. But three months seemed a very long period to those who felt the uncertain tenure by which their claim was held, so, to induce the office to pay ready money, they offered a large and unbusinesslike discount. This, together, perhaps, with some suspicions created by the manner of the appli-

cant, placed the office on its guard. Inquiries were soon instituted, and discoveries made which induced them to proceed still farther; but no sooner was it found that a close inquisition was being entered on, than the claim was abandoned, and the claimant seen no more at the office.

CHAP. XVII.

SCOTCH LIFE ASSURANCE. — SCOTTISH WIDOWS' FUND — ITS DIRECTORS. — NORTH BRITISH. — THE FARMER'S FATE. — EDINBURGH LIFE. — LIST OF SCOTTISH COMPANIES.

FOR more than one century the life assurance companies of England were sufficient for the requirements of Scotland; and, whatever opinion may now be formed of institutions founded on the proprietary principle, yet life assurance would have been still in its infancy without it. And the reason is obvious. It was the great object of these societies to pay the best dividend they could. To do this it was necessary to spread their advantages far and wide, to appoint agents in the remotest parts of the country, to familiarise the public mind with its principles, and to advertise its benefits wherever a village or district was ignorant of them. By 1812, however, a proposal was printed "for establishing in Scotland a general fund for securing provision to widows, sisters, &c., and for insuring capital sums on lives, to be called the 'Scottish Widows' Fund and Equit-

able Assurance Company.'" The northern reader may not be averse to review the early career of his favourite institution.

Its prospectus rivals the mining advertisements of the present day. The society was to be supported by 2 Dukes, 1 Marquis, 6 Earls, 2 Viscounts, 2 Lords, 2 Honourable Gentlemen, and 3 Baronets, as patrons only. It boasted a Viscount as President. There were 4 Vice-presidents, 27 Honorary Directors, 15 Ordinary Directors, and 20 Extraordinary Directors. Its tables were founded on the Northampton observations of Dr. Price, and the presumption of improving money was at 4 per cent. per annum. But though it was ushered in with so brilliant an array of names, it would seem as though they of Scotland were not to be thus tempted. It requires hard work to place a new company on a proper footing, and as dukes, marquises, or peers are not usually hard workers, it took three years before this company could commence its operations; and while the little insignificant-looking prospectus which announced its advent is dated 1812, the society itself, ultimately attended with such brilliant results, was not able to commence its operations till 1815. Its first constitutional meeting was marked by a feature perfectly in keeping with the devotional character of

Scottish life; yet it is strange and almost startling to commercial England to read that "the venerable and reverend Dr. Johnston, who presided in a manner beautifully consistent with the exalted piety of his own character and *the benevolent design of the institution,* opened and consecrated the business by the utterance of solemn prayer."

The difficulties incidental to mutual assurance beset the new society. For a time its sole capital was 34*l.* 12*s.* 6*d.* The most imminent danger must have been apprehended by its friends; and until a sufficient fund was accumulated, an accidental death might have precipitated its ruin. Its early records prove that great anxiety existed, that various precautions were proposed, and that a natural alarm overshadowed its progress. This fact is an exposition of the chances which assurance companies on the mutual principle must run, and of the dangers to which they are liable during any abnormal or remarkable period, when with no capital subscribed to back them, a plague in the shape of the cholera, or an epidemic like the small-pox, may prove that figures are not facts, and upset the most elaborate calculations or the most undeniable tables.

The difficulties of the first year were surmounted, and insurers came to its support. Year after year it

gathered strength, and the following table, giving some idea of its progress for ten years, may not be uninteresting to new companies: —

	1818.	1821.	1824.	1827.	1829.
	£	£	£	£	£
Annual prems.	2,500	5,100	13,000	22,000	27,000
Capital	3,500	15,000	50,000	95,000	130,000
Policies issued	68,219	140.000	380,000	620,000	770,000

A comparison was made between the English Equitable and the Scottish Widows' Fund during the first eleven years of each. In the English Equitable the assurances were only 230,000*l.*; in the Scottish they amounted to 493,000*l.* The annual income of the former was but 9500*l.*, of the latter 17,500*l.* The English Society, at the end of eleven years, possessed an accumulated capital of only 29,000*l.*, while the Scottish boasted one of 72,000*l.* Such was the success of an institution which could not even commence business for three years after its advent, which began with a capital of 34*l.* 12*s.* 6*d.*, and which, by the evidence of its own manager, was doubtful of its continuance for the first year or two of its existence. That the Scottish Widows' Fund has been serviceable to thousands, and that it has stimulated other companies, is undeniable; but it is equally undeniable that it is a mere trading institution founded on mer-

cantile principles; and though its managers may boast that "it is benevolent in its objects, that it originated in no selfish views, and that it has been the happy medium of diffusing comfort and security," it must still be borne in mind that such benevolence is scarcely compatible with its interests; and when it is remembered that its meetings were solemnised by prayer, the thought naturally occurs whether revenue or religion prompted the exercises, and whether the quackery of trade was not mixed with the fervour of worship. It is a financial company, governed by its tables, guided by its physician, and ruled by regulations which are and ought to be severely enforced. Such was the first mutual institution of Scotland.

The first proprietary was in 1823, when the North British Fire Company added life assurance to its ordinary business. A company with a capital is often of much service to the cause of life assurance in any place where it is newly introduced. Where a mutual society fears to expend its money, a proprietary company will send its proposals to every journal in the place; and by spreading its doctrines among a remote but intelligent agricultural population — by giving an absolute safety to the insured, by virtue of its capital, — it is often productive of inestimable

good. And, at this period the notion of insurance was vague and indefinite. In agricultural districts especially, even among the most thoughtful, it was rarely heard of. One story will illustrate this more than a hundred assertions. The agent of the Rock Proprietary Company met in the north of Scotland with an intelligent man who farmed some thousand acres. This estate he delighted to cultivate; and though the period was long before that when science was employed by the agriculturist, he invested all his profits in the estate he rented. With great and proper pride he took the life assurance agent over his land, pointed to his improvements, and boasted his gains.

When they returned to the farm-house, the agent, who saw that if his host died, all that he had done would be for his landlord's benefit, only said to him, "You must have spent a large sum on this estate."

"Many thousands," was his curt reply.

"And if you die," was the shrewd retort, "your landlord will receive the benefit, and your wife and daughter be left penniless. Why not insure your life?"

The man rose, strode across the room, and drawing himself up as if to exhibit his huge strength, said, almost in the words of one of Sir Bulwer Lytton's

heroes*, "Do I look like a man to die of consumption?"

The agent was not daunted — he persevered, explained his meaning, enlisted the kindly feelings of his host, persisted in asking him how much he would leave his family, and at last induced him to listen. They examined his accounts, and found that he could spare about 120*l.* a year. The village apothecary was almost immediately sent for, the life was accepted, and policies were granted for 3000*l.*

In less than nine months this man, so full of vigorous health, took cold, neglected the symptoms, and died, leaving only the amount for which he had assured his life to keep his family from want.

There is much in favour of life assurance in this little anecdote, and there is much too in favour of the proprietary system, for a man like this would not have risked his savings with a mutual insurance society.

The Edinburgh Life Assurance followed in 1823, having been originated by the legal bodies in Edinburgh at the same time, and very much upon the same principles, with the Law Life in London. The Scottish Union ensued in 1824, the Aberdeen in 1825, and the Scottish Amicable in 1826.

* Night and Morning.

It is one advantage of all new life companies that they assist in forwarding a principle; and there is another feature in them. In most other speculative societies, their failure produces very painful results. A railway sees its capital spent, and is obliged to make farther calls upon its proprietors. An unsuccessful canal company has only the certainty of having fed and demoralised some thousands of stalwart navigators in exchange for the ruin of its shareholders, while the failure of a mine is the melancholy close of many a bright hope. But it is not so bad with a life assurance company. The insured — except in offices originated with a fraudulent design, such as the West Middlesex — has never yet been deceived by the failure of a policy. To take Scotland as an instance, many of the companies have not been able to maintain their ground; but in no one case has the policy-holder risked his premium or lost his assurance. Thus the Scottish Life, when unable to maintain itself, handed its business to the Mercantile, which then became responsible. When the Mercantile ceased to be an independent company, it transferred its policies to the "Life Association." The "Scottish Masonic" and the "Bon Accord" business was taken up by the Northern. In no instance, therefore, has any legitimate company failed

in its engagements. The public has never been scandalised with tales and traditions of wrong and ruin. Nor has the improvident man been strengthened in his improvidence, by being able to plead losses which others have sustained. The progress of the science in Scotland has been calm and equable. Throughout all her districts, its agents are spreading a knowledge of its benefits. There are enough and to spare of companies; and while giving the following list, it may be remarked, that all the offices which are noticed below as having transferred their business, were fairly and soundly originated. It is highly creditable to Scotland, that directly they found they were not successful, their business was at once handed over to other companies: —

Scottish Widows' Fund (mutual). This was the first life office in Scotland - - -	1815
North British (mixed). Commenced fire in -	1809
„ „ „ life in -	1823
Edinburgh (mixed). Nine-tenths of the profits allotted to the policies - - - -	1823
Scottish Union (mixed), divides two-thirds of the nett profits every five years - - -	1824
Standard Life (mixed). Commenced under the title of the Life Insurance Company of Scotland, and took its present name in 1832 - - -	1825
Scottish Provincial (mixed). Commenced under the title of the Aberdeen Fire and Life Insurance Office, and took its present name in 1852. In	

1840, policies with a right to share in the profits were first issued - - - - 1825
Scottish Amicable (mutual) - - - 1826
Scottish Equitable (mutual) - - - 1831
Caledonian (mixed). Originally fire - - 1805
„ „ Extended to life - - 1833
Five-sixths of the profits allotted to the policies.
Northern (mixed). Commenced under the title of the North of Scotland, and took its present name in 1848. Divides 90 per cent. of its profits among the policy-holders - - - 1836
Scottish Provident (mutual) - - - 1837
City of Glasgow (mixed). Annual investigations and yearly bonuses. At the end of five years a policy-holder may live out of the limits of Europe without extra premium - - - 1838
Life Association of Scotland (mixed). Commenced as the Edinburgh and Glasgow, and took its present name about 1841 - - - - 1839
English and Scottish Law Life (mixed) - - 1839
National (mixed). Commenced fire - - 1841
„ „ „ life - - 1843
Four-fifths of the profits allotted to the policies.

Offices that have transferred their Business.

Bon Accord, Life - - - - - 1845
Transferred to *the Northern* in 1849.
Commercial, Life (Head Office in Glasgow) - 1840
Transferred to *the Standard* in 1846.
East of Scotland, Life (Head Office in Dundee) 1844
Transferred to *the Colonial* in 1852.
Experience, Life - - - - - 1843
Transferred to *the Standard* in 1850.
Friendly, Fire - - - - - 1720
Transferred to *the Sun* in 1847.

Hercules, Fire and Life, Fire - - - 1809
„ „ Life - - 1832
Transferred to *the Scot. Union*, life in 1835, and fire in 1849.
Mercantile, Life - - - - - 1844
Transferred to *the Life Association* in 1850.
Scottish Life and Guarantee, Life - - 1844
Transferred to *the Mercantile* in 1848.
Scot. Masonic (originally Freemason's, Life) - 1844
Transferred to *the Northern* in 1848.

Thus, in Scotland one office was established in 1815; five from 1816 to 1825; three from 1826 to 1838; six from 1836 to 1845.

The united incomes of these are not far short of 1,400,000*l.*; and the assurances now in force amount to about 33,000,000*l.*

THE END.

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